

# **Corporate Social Responsibility**





## Highlights

Doing business with a view to sustainability, with a constant focus on excellence, is one of the main values guiding the Equita Group in its pursuit to meet its own growth targets.

We promote **sustainable development** which strives to understand the real needs of our stakeholders, from employees to clients, from the local and financial communities to the environment and the new generations, in order to match their expectations with our business targets.

Consistent with this commitment, some years ago we made the choice to make sustainability an integral part of our organisational model and our business decisions.

We have, in fact, developed a CSR strategy closely related to the Group's values, which is reflected in our **CSR Strategic Plan 2020-22** and based on five main goals:

Promotion of employees' wellbeing

Increased satisfaction of clients and the financial community

Supporting social and economic development of the community

Reduction of environmental impact

Improvement of health and safety

We decided to be an active part of the changes proposed in the United Nations' 2030 Agenda for Sustainability by focusing our **CSR STRATEGIC PLAN** on the SDGs 3, 4, 5, 8, 11, 12 and 13 and equipping ourselves with a **GOVERNANCE** structure capable of continuously supporting and monitoring our commitment.



In Equita we are convinced that **Governance** is key to carrying out the Group's operations in accordance with the principles of **social responsibility**.

In 2019, therefore, we institutionalized our commitment to an increasingly integrated management of sustainability by defining a Governance based on the voluntary formation of specific bodies dedicated to the supervision and management of CSR topics.

The Board of Directors, in fact, appointed the Chief Executive Officer to act as **Head of CSR**, who avails himself of the **Sustainability Committee**, the composition of which reflects an equal balance of gender, roles and age groups, including an adequate representation of younger professionals.

Based on its own rules, the Committee provides the Board of Directors with advice and guidance in relation to sustainable scenarios involving both the coordination and supervision of the functions involved in implementing the CSR strategy.

In order to ensure a high degree of awareness throughout the company about what a sustainable culture is, in 2019 we:

- added a **Code of Sustainable Conduct** and a **Recycling Policy** to our internal procedures and policies;
- added indicators relating to **CSR standards** to the qualitative performance indicators in the **Remuneration Policy**;
- adhered to the **United Nations' Principles for Responsible Investment** (UNPRI) based on which we are preparing a policy for Responsible Investing which will take effect by the first half of 2020.



As a guarantee, once again, of our commitment to sustainability, we also defined the **CSR Plan 2020-2022** which expresses our strategic medium-long term vision. Its goal is to guide the Group toward an increasingly more complete integration of economic aspects with environmental, social and governance aspects.



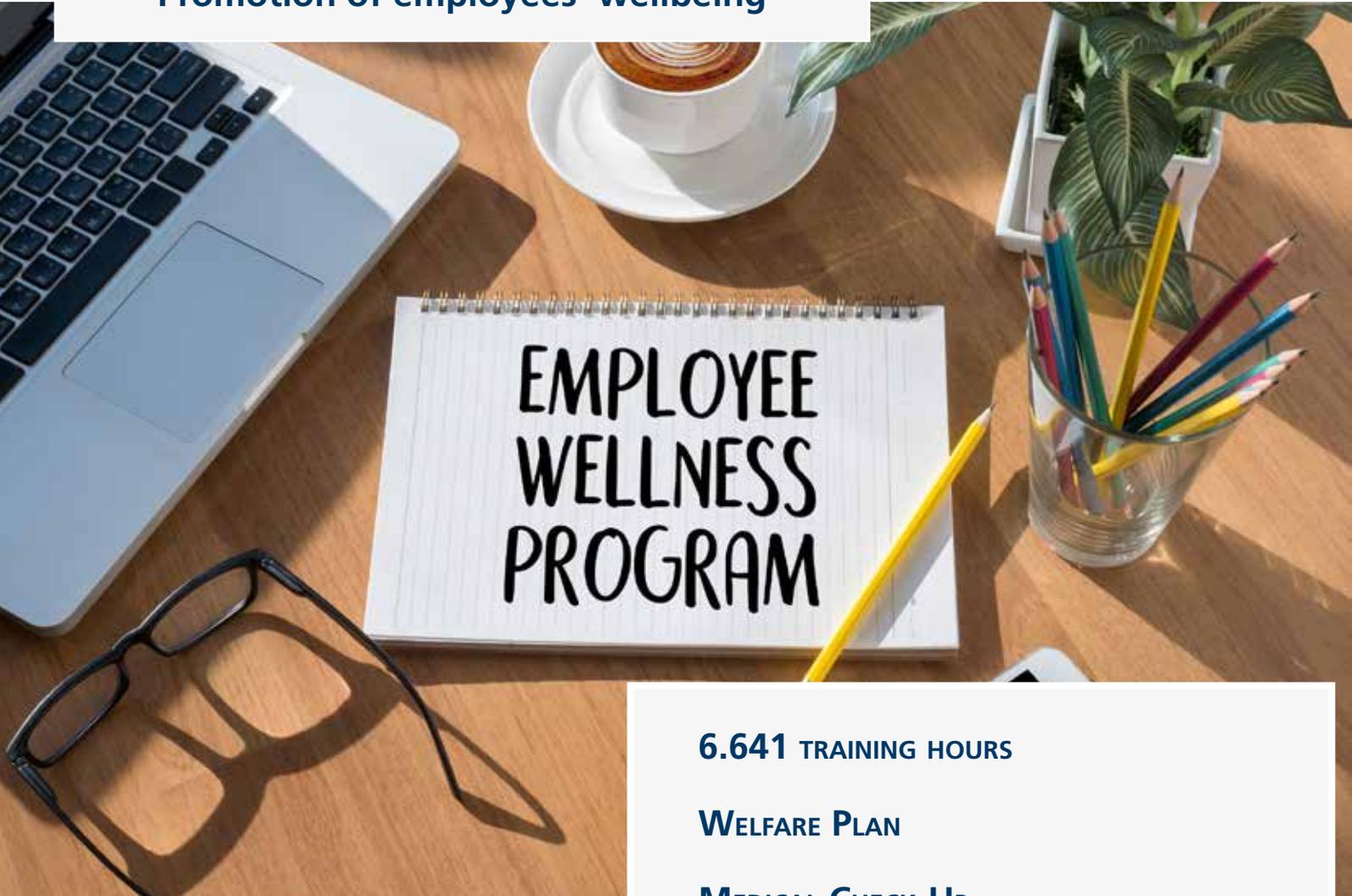
All of the Group's activities are also inspired by compliance with the principles, values and rules found in the **Code of Conduct** and the **Legislative Decree 231/01 Organisational, Management and Control Model** which imply the existence of additional company regulations, procedures and policies we have adopted in order to comply with the law and sector best practice including, for example:

1. the **Whistleblowing Procedure**;
2. the Risk management policy for money laundering and terrorist financing;
3. the conflict of interest policy.

We voluntarily comply with the Borsa Italiana's "**Code of Conduct**", using this as the basis for our Governance Model and Internal Control System based on the ESG criteria of "**Gender and Diversity**".

<b>Governance</b>	<b>2019</b>	
<b>Members of Board of Directors</b>	<b>7</b>	
Average participation rate	92.85%	
% female members	28.50%	
no. of meetings	10	
<b>Members of Board of Statutory Auditors</b>	<b>3 standing</b>	
% female members	33.30%	
no. of meetings	9	
<b>Members of Control and Risk Committee</b>	<b>3</b>	
Average participation rate	81.00%	
% female members	66.60%	
% independent members	66.60%	
no. of meetings	7	
<b>Members of Related Parties Committee</b>	<b>3</b>	
% female members	66.60%	
% independent members	66.60%	
no. of meetings	1	
<b>Members of Remuneration Committee</b>	<b>3</b>	
% female members	33.30%	
% independent members	66.60%	
no. of meetings	2	
<b>Members of Supervisory Board</b>	<b>3</b>	
% female members	66.60%	
no. of meetings	3	
<b>Heads of Control Functions</b>	<b>M</b>	<b>F</b>
Head of Compliance and Risk Management		1
Head of Internal Audit and Whistleblowing		1
no. of Whistleblowing reports		Zero

## Promotion of employees' wellbeing



# EMPLOYEE WELLNESS PROGRAM

**6.641 TRAINING HOURS**

**WELFARE PLAN**

**MEDICAL CHECK-UP**

**DEDICATED PENSION ADVISE**

**ANNUAL SUBSCRIPTION TO MUSEUMS**

**QUALITATIVE ESG INDICATORS FOR  
RESOURCES EVALUATION**

We see our employees as the heart and mind of our company. Considering people first and working to promote their well-being and professional growth is one of the cornerstones of Equita's philosophy.

## Selection process

We pay attention to attracting and selecting talented resources, who stand out not only for their professional expertise, but also for personal qualities which are consistent with the Group's values and ability to adapt to an extremely dynamic environment.

We place great emphasis on young people as we are convinced that their motivation, enthusiasm, curiosity and digital knowhow, favor the ability to find new challenges and opportunities.

**80% of the resources we hired in 2019 were below the age of 30.**

We select young people from the best Italian universities and invest in their growth during every step of their careers.

We are committed to promoting **Diversity** starting from the selection phase, planning within the Strategic CSR plan the evaluation of a Recruiting System able to take this topic into account. Toward this end, the CSR Committee promoted the "**Women in Finance**" project in order to bring women closer to the world of finance.

Guaranteeing stable employment continues to be a Group priority: **99% of the employees at 31 December 2019 had a permanent contract.**

As at 31 December 2019, we had 152 staff members, of whom 15 were recruited during the year. The average age of Group employees is 41 and 80% of the staff are university graduates.

The average seniority at Equita is 9 years and is considerably higher amongst our top managers.

The interest in and the appeal of the Group are confirmed by the growing number of applications we receive every day both through our website and through **LinkedIn**.

The key factors that make our employees keen to work at Equita are:

- **reputation,**
- **ongoing training,**
- **career advancement opportunities,**
- **quality and workplace environment.**

**Professionals: 152**  
**Average age of employees: 41 years**  
**Graduated resources: 80%**  
**Average seniority at Equita: 9 years**

## Turnover

In the last three years period we hired approximately 60 resources that means 40% of the current workforce, of which 15 in 2019. The voluntary resignations of 16 employees were tendered in the three-year period.

## Training

We believe that **training** is one of our pillars, that ensures the professional advancement of each employee.

We offer specific training programmes, both in Italy and abroad (e.g. in the United Kingdom, USA and India) in order to strengthen our employees' managerial, specialized and transversal skills.

More specifically, as part of our "**Progetto Giovani**" (Youth Project), we offer:

- a training programme for our most junior staff members that uses job rotation between our various departments to enable them to gain a better understanding of how

## Diversity

Diversity and gender equality are a key part of our CSR strategy.

We believe, in fact, that including people with different training, experiences, and socio-cultural backgrounds, makes it possible for the Group to better meet the challenges of an increasingly global market.

In addition to the above mentioned initiatives, like the "Women in Finance" project and the inclusion in our Strategic CSR Plan of a recruiting system based also on diversity, we adhered to **Valore D**, an Italian association of large companies committed to supporting and promoting female leadership, as well as diversity in general.

The promotion of diversity is also amply applied throughout the whole organization: 27% of employees who report directly to the CEO or the Board of Directors are women, who in turn manage 50% of all staff members.

the entire "corporate machine" operates by working "on the field";

- a series of talks and in-house conferences held by our most senior managers or external consultants on financial topics of specific interest and addressed to all employees ("**EQUITA Cineforum**"). Beginning in 2019 these courses were also offered through webinars which made it possible to participate remotely;
- a special, intensive executive training programme organised once again by MISB Bocconi ("Mumbai International School of Business - Bocconi") for some of our professionals in Mumbai, India.

We also organize courses in Management, Trading, Mentoring, Public Speaking, Foreign Languages, Corporate Finance Transactions, Modelling, Bond Documentation, Privacy, as well as Health and Safety.

**In 2019 we provided a total of 6,641 training hours or 48.5 hours per person.**

Thanks to some of these initiatives, we guarantee our entire staff a greater number of training hours than is required by law.

In order to strengthen the expertise in sustainability we included **ESG training in our CSR Strategic Plan** which will be offered in the first half of 2020 by a premiere consulting company, expert in this sector.

## Remuneration

We firmly believe that a remuneration system based on internal equity, competitiveness, consistency and meritocracy allows us to create long-term value at every level of our company.

Our remuneration policy therefore includes benefits and incentives aimed at both improving the quality of life of our employees and rewarding performance and achievement of specific objectives based on merit.

In keeping with our other social impact initiatives, this policy provides that the **qualitative indicators** for human resource assessments also include those attributable to ESG principles:

- **People engagement**, in order to assess the quality of the environment in terms of workplace relationships and employee motivation;

## Dialogue and involvement

We are convinced that involving employees in company life is the best way to establish a relationship with our people.

Dialogue and involvement, have always been at the heart of our employees' motivation which contributes considerably to:

- **creating a more peaceful work environment;**
- **reducing turnover and absenteeism;**
- **recruiting the best market talents;**
- **effective project management;**
- **spreading a greater sense of responsibility.**

Toward this end, we organize plenary meetings, open to all, in which we illustrate:

- the periodic financial results achieved by the Group;
- the budget targets and the Strategic Plan which, in 2019, also included **sustainability targets** for the first time;
- the planning of new projects and the progress made in current ones.

Furthermore, annual meetings are scheduled with each employee and their respective managers during which the resource receives feedback about the work done, expresses his/her observations, any recommendations and expectations, and discusses goals for the next year with the manager.

- **Talent management and Human Capital**, relating to the professional growth and level of advancement of our employees;
- **Tone from the top on compliance culture**, related to maintaining integrity of conduct and encouraging compliance and risk culture;
- **Sustainability strategy**, to evaluate the contribution of employees to the development of an ESG strategy;
- **Customer satisfaction**, related to their satisfaction and to be measured using specific criteria.

Employee compensation is based on a fixed salary and performance-related bonuses in order to reinforce staff motivation and loyalty whilst also considering the need to maintain the Group's financial sustainability over time.

Each year there are also special social events like, for example, the "**Cena di Natale**" (Christmas Party), the "**Ape Young**", an aperitif for employees under 30, the chief executive officer and the chairman, and the "**Panzerottata**", a lunch based on panzerotti organized in order to celebrate our most successful transactions.

## Sporting initiatives

In order to promote team spirit, each year we organize inter-company tournaments of indoor soccer, ping-pong, beach-volley and football.

We are also sponsors of the **Milano Marathon**, which a few of our employees take part.



In 2019 we also adopted a **Loyalty and Incentive Plan 2019-2021** based on financial instruments.



## Welfare

### Main expenses reimbursed:

School fees: **42%**

Leisure expenses: **33%**

Additional medical expenses: **5%**

We are convinced that each of our resources is indispensable to value creation.

Our objective, therefore, is to incentivize and retain our employees by providing a combination of benefits, monetary and non, along with a pleasant, and, therefore, more productive work environment.

The initiatives introduced in recent years, accompanied by ever-increasing benefits for all its employees, have helped create a leading-edge company welfare plan in Italy.

In 2019, Equita has decided to promote the following initiatives for its employees:

- a cash contribution for each minor child or student for a specific range of employees;
- full medical check-ups for each employee, aimed at encouraging preventive healthcare;
- 1-to-1 meetings and plenary sessions with pensions advisers to help staff, both junior and senior, to find the best pension solutions in light of their long-term objectives;
- annual passes to the museums in Lombardy for each employee and one family member in order to promote culture and provide our colleagues with another growth opportunity.

**Free Medical  
check-up  
for all employees**

**1-to-1 meetings  
with pensions  
advisers**



All these new features add to the existing welfare system that has been in place for many years, implemented by Equita to foster the well-being of its employees.

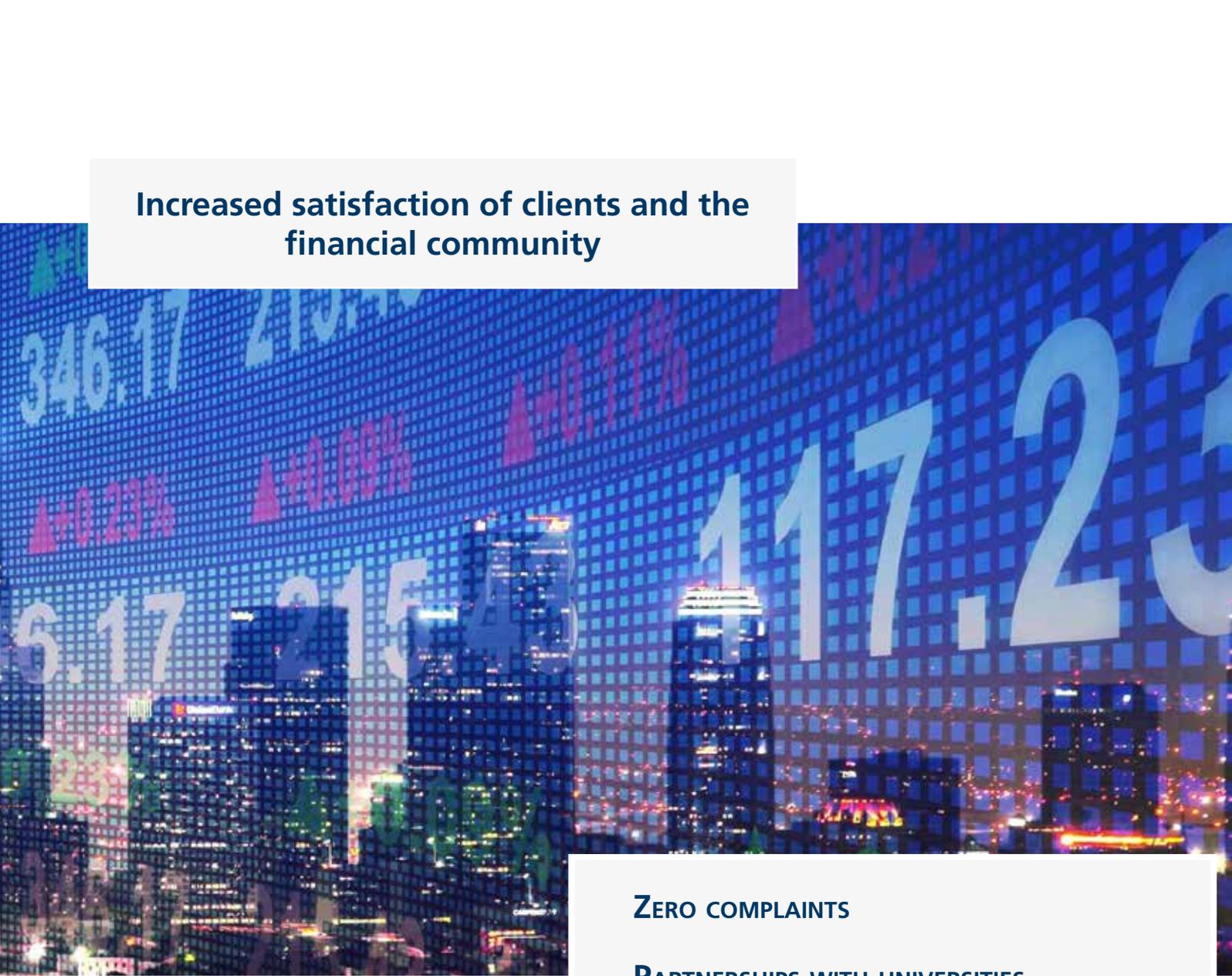
Each employee has an annual budget (equal to a percentage of gross annual salary) to be allocated to non-cash services and benefits, according to their individual needs, including refunds of medical expenses and treatment, training and refund of school expenses, recreational activities, sports and free time. For many of these services, the benefit is not limited to the employee alone, but also covers family members.

In 2019, the budget was mainly allocated to education (42%), free time (33%) and refunds of medical expenses incurred by employees for additional services not covered by Equita's health insurance policies (5%).

Equita also supports those employees who have supplementary pension funds by making an additional employer contribution.



The insurance coverage is extensive and includes policies for medical treatment and refunds of medical expenses incurred by employees and their close family, off-the-job and on-the-job accident policies, benefits for employees in the event of invalidity and for family members in the event of death.

A night cityscape with a blue grid overlay and large numbers. The background shows a city at night with lights and buildings. Overlaid on this is a blue grid pattern. Large, semi-transparent numbers are scattered across the grid, including '346.17', '215.4', '117.23', and '6.17'.

## Increased satisfaction of clients and the financial community

**ZERO COMPLAINTS**

**PARTNERSHIPS WITH UNIVERSITIES**

**EQUITA-ALTIS ESG QUESTIONNAIRE**

**EQUITA ESG SURVEY**

**EQUITA ESG RESEARCH**

**RESPONSIBLE INVESTMENTS POLICY**

The **increased satisfaction of clients and the financial community**, namely shareholders and investors, is one of the most important goals in the Group's CSR Plan 2020-2022. Our approach to these stakeholders is focused on continuously improving the standard of the services provided and increasing dialogue.

In order to provide targeted answers to our clients' financial and welfare needs, we strive to get to know them fully thanks to a frequent exchange of information.

We do this by arranging business meetings, roadshows and calls, as well as sending them reports and information on a regular basis.

In 2019 a total of more than 170 **roadshows**, involving listed companies and institutional investors, were organized by **Sales & Trading** and the **Research Team** compared to 165 in 2018, along with approximately 19,150 phone calls versus 11,650 in 2018, 9 sector conferences in Milan and abroad, a gradual increase compared to 5 in 2016, 7 in 2017 and 8 in 2018, and 550 research reports.

**170 Roadshows**  
**19.150 Phone Calls**  
**9 Conferences**

**For this purpose, we put in place appropriate procedures** for accurate client profiling in order to provide each of them with the "**right product or service**".

In an effort to maintain excellent relationships with our clients, we base our relations on the principles established in our Code of Ethics, including:

- operate with diligence and fairness, in compliance with the law and internal procedures;
- process personal data in compliance with current privacy laws;
- manage of conflicts of interest to prevent the risk of damage to clients;
- provide clear and full disclosure to ensure that clients are able to make informed investment decisions;
- prevent money laundering and terrorist financing.

In order to keep a close eye on our clients' needs and continue to comply with **ESG criterion**, we have included a number of performance indicators in our remuneration policy for employee performance reviews based on "**Client Satisfaction**".

One of the parameters we use is "number of client complaints", of which we have received a total of zero in over ten years.

**No complaints  
in over 10 years**

We have transparent, timely and open communication not only with our clients, but with all our stakeholders, in order to guarantee that everyone has equal access to information.

This dialogue is guaranteed by an extensive and continuous news flow via different channels and social media, on our website and during dedicated meetings. In 2019, we issued a large number of both institutional and business press releases and increased the visibility of the Group's activities and initiatives.

In order to guarantee more timely updates on the company's activities, inside our website we created an e-mail alert system based on which registered users are notified every time a new document is published on our website.

To increase **brand awareness**, we set up a profile on the social media channel LinkedIn with the aim of further increasing our engagement and interaction with both current and potential clients.

**The number of followers came to approximately 9,000 at 31 December 2019, versus 6,400 in the prior year.**

In 2019 we launched an advertising campaign with the slogan **We Know How**, a concept that expresses who we are and speaks to our ability to stand out in the research market, capital markets, sustainability, etc... The campaign was featured in Italy's biggest daily newspapers and on a few city streetcars.

In order to provide our stakeholders with ample information about our deep commitment to CSR, beginning in 2018 we included:

- the section "**Corporate Social Responsibility**" in our Annual Report;
- a "**Sustainability**" section in our corporate website [www.equita.eu](http://www.equita.eu), constantly updated with all the CSR initiatives implemented by the Group.

We strive to always be at the forefront of analysing market changes and new trends. In 2019 we, once again, organized events in partnership with universities and other institutions that were very well-received by the market.

## Equita - Bocconi University

### A successful and long-standing partnership

One of Equita's goals is to be at the forefront of analyzing market changes and new trends.

The purpose of the partnership entered into with Bocconi University in 2013 is to achieve this goal by promoting discussions about the market's structural elements, development and possible solutions for the growth of the capital markets for Italian companies.

The revival of capital markets is key for Italy and each year Equita and Bocconi University prepare a report on subjects of specific interest. The huge amount of interest and

appreciation shown over the years for the analyses performed and subjects discussed has helped to strengthen our role as an "opinion maker" within the financial community.

In 2019 the report was focused on the reasons why Italian companies go to the capital markets for financing through bond issues rather than through the traditional banking channel. The study compared certain financial and business elements of companies with those of their peers and analyzed the pricing of the different securities issued.



This study, conducted by the Bocconi University's **BAFFI CAREFIN** research center, in partnership with Equita, was presented during the event "**The Italian corporate bond market: what is happening to the capital structure of Italian non- financial companies?**" which attracted numerous managers, professionals, politicians, professors and the press.

For the sixth year in a row Equita, in partnership with **Bocconi University and Borsa Italiana**, awarded the "Best strategies on capital markets awards", a prize to the Italian companies that were most successful in raising Debt and Equity capital during the year.

The companies were selected by a panel of fifteen highly regarded judges, chaired and coordinated by Francesco Perilli, Chairman of Equita Group.

The "**EQUITA Best Strategy Awards**" cover three categories:

- Capital raising on Debt Capital Markets;
- Capital raising on Equity Capital Markets;
- Capital raising by small-mid cap companies on Equity Capital Markets.

During the event, we also presented our annual **Italian Capital Markets Monitor**, illustrating the key growth trends on the equity and bond markets in Italy during 2018, focusing in particular on the the impact that recent regulatory changes affecting the capital markets had on investors and financial intermediaries.

Every year, in addition to the report prepared in partnership with Baffi Carefin, our analysis helps to further the knowledge of financial markets of companies, professionals and students

In 2019 the **partnership between Equita and Bocconi University** was renewed again for four years.

The goal of the renewed partnership is to strengthen the influential role that the research conducted by Equita and Bocconi University has, via the creation of the "Equita Research Lab in Capital Markets". This will be a laboratory focused on applied research and policy impact, raising awareness of current financial topics. The organization of public events in Italy and abroad to stimulate debates on Italian capital markets will be of key importance to promote the findings of the Equita Research Lab in Capital Markets.

As in the past, the agreement between Equita and Bocconi University will address the promotion of human capital by introducing a new take on the promotion of **Diversity**: Equita, as a sustaining partner of Bocconi University, will finance some scholarships for deserving undergraduate female students majoring in finance and **Executive MBA** candidates.

A resource of our HR Department also works as a **guidance counselor** for Bocconi University's **POL Program**, meeting with students in order to provide them with a self-assessment tool based on the **MASPI (modello di ascolto delle strategie percettive e individuali) model** which helps to ensure that students make informed employment choices.



## Equita e ALTIS Università Cattolica Together for a sustainable evaluation of the SMEs

The partnership with **ALTIS**, *Alta Scuola dell'Università Cattolica* (Università Cattolica's graduate school of business) which has been a pioneer in the study of corporate social responsibility in Italy since the early 2000s, seeks to **promote the ESG behaviors of small and mid-sized enterprises** as part of a sustainability assessment process.

Toward this end the Research Team conducted a special study, "**Sustainability: a tailor-made assessment for SMEs**" in order to identify and analyze the most important ESG factors for Italian SMEs. This study was, in fact, born out of the conviction that the small to mid-cap companies have unique qualities which require an ad-hoc approach in order to be correctly represented in an ESG valuation, and strives, therefore, to identify the optimal variables to be used toward this end.

The study was conducted based on interviews of small/mid-cap companies which already have an ESG rating in order to understand:

- the methods used for interactions between the rating agencies and the companies during the assessment;
- the consistency of the rating assigned with respect to the company's perceived positioning.



Sustainability: a tailor-made  
assessment for SMEs

Milan, September 11, 2019

More in detail, the interviews were carried out based on a **questionnaire, prepared by Equita and ALTIS Cattolica University**, that we sent to a group of 30 listed companies with a capitalization of between EUR 250 million and EUR 4 billion from different sectors (financial, utilities, manufacturing).

The purpose of the questionnaire was to:

- integrate the information typically gathered by the rating agencies with information on areas that appeared undervalued, in particular in relation to social aspects;
- help the companies to fully enhance their strong points, providing a sort of check-list for investigating the main sustainability issues.

The interviews allowed us to identify limitations in the **ESG assessment process** which distort the sustainability assessment of the SMEs and which could penalize the investment appeal of this market segment.

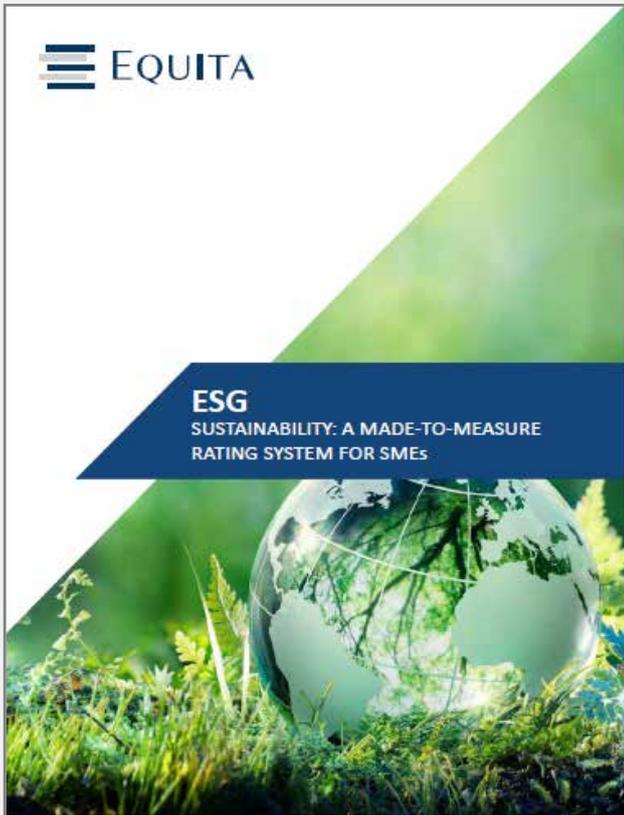
The questionnaire prepared by Equita and Altis is, therefore, useful in mitigating this risk, because:

- the companies can use the questions as a check-list to identify the areas that are underrepresented;
- it can provide all the stakeholders, if shared with the public, with an ESG profile of the Group that is not overly rigid, particularly useful for all the companies without ESG ratings.

The results of the study were presented during an **event held on 9 September 2019** at Cattolica University, during which companies, institutions and investors discussed their views of sustainability. Representatives of CONSOB, the Corporate Governance Committee and Assonime participated in the round table.

Furthermore, consistent with the spirit of partnership that led the two institutions to work together, we promoted the Master in Finance: Instruments, Markets and Sustainability organized by ALTIS Cattolica University, with presentations by our managers and a **company visit** at our headquarters. In this way we fostered financial knowledge and expertise, with a particular focus on ethical and sustainable finance. We also supported the initiative by financing a scholarship for the most deserving students.





## Equita's ESG research: support for investors and companies

In the wake of the study conducted with Altis, the Research Team of Equita conducted a **second study of sustainability topics** in which the needs of investors who want to invest responsibly, particularly in the SMEs, were analyzed, in order to understand:

- to what extent and how the assessment of ESG factors has been included in the investment strategies of asset managers in Italy;
- operationally, what are the biggest difficulties encountered with the preparation of the investment cases used to define these strategies;
- what do investment houses need in order to promote wider spread and more qualified ESG analysis.

The analysis was conducted based on a **survey** which we submitted to around 30 asset managers, representing the main investment houses in Italy.

## The Responsible Investments of Equita Capital SGR

Our commitment to sustainability also shapes the investment choices made by the funds managed by Equita Capital SGR, the company newly formed by the Group active in collective asset management (both UCITS and AIF), which also provides portfolio management services and investment consulting. In November 2019, when it became operational, the SGR also became a signatory of the United Nations' 6 Principles for Responsible Investment (UNPRI).

A responsible investment policy is currently being drafted, based on these principles, in which our commitment to using ESG factors to make investment decisions is formalized.

We are convinced that using a formalized process to identify, analyze and manage ESG factors can mitigate any financial and operational risks, as well as increase long-term investment value.

By having a policy which includes ESG criterion in our investment process we are supporting our asset management team's commitment to using a decision making process that creates value for both the investors and all of our stakeholders. The commitments relating to sustainable investment were formalized in the CSR Strategic Plan 2020-22.



The results of the survey strongly supported our current commitment to:

- spread the awareness within companies as to the importance of sustainability and help them identify the areas that are not monitored adequately or reflected in the ESG rating;
- encourage a revision in the rating methods used currently in order to ensure that the characteristics specific to the SMEs are better reflected in the ESG ratings;
- contribute to defining the type of information that best meets the needs of both the investors and the companies.

In light of these results, we took steps to disseminate the **Equita-Altis questionnaire** (which can also be completed online at <https://www.surveygizmo.eu/s3/90196633/Questionario-ESG>) among the companies in order to build a data base which allows us to prepare and include an ESG business description of each company in our basic research.

The latter will be useful to both the investors, in their assessment of the companies' sustainability, and the companies, as they work to enhance and disseminate their work done on ESG factors.

**The results of the questionnaire filled out by Equita are published on the company website [www.equita.eu](http://www.equita.eu) in the "Sustainability" section.**

In relation, once again, to sustainability, our Research Team analyzed the **green bond market** and published the results in a special report which shows that:

- at current market conditions, the green bonds provide market yields in line with conventional bonds, and the difference in the spreads between the bonds of the same companies or peers reflect normal market dynamics (for example, liquidity) but, at the moment, they do not depend on the "green" nature of the bonds;
- the green bonds could satisfy investors' growing demand for sustainable investment products;
- for the companies, the green bonds could not only result in a lower cost of funding, but also have an important, positive impact on the company's reputation.

The first green corporate bond distributed through Borsa Italiana's MOT platform was issued by Alerion Clean Power, for which Equita acted as both the Placement Agent and Appointed Intermediary.



## Our commitment to promoting local businesses

Driven by one of our founding values, namely **strong roots in Italy**, again in 2019 we worked tirelessly on promoting Italian excellence with institutions and the financial community, both in Italy and abroad.

Thanks to our strong roots in Italy and a deep knowledge of the Italian economy and Italian companies, we are able to provide a clear view of the many neglected opportunities in the current international market scenario.

Toward this end we signed a partnership agreement with the **American Chamber of Commerce in Italy** (“AmCham Italy”) with a view to organizing events and initiatives focused on fostering an effective dialogue and strengthening the economic-financial relationships between Italy and the United States in order to promote investments and professional relationships, as well as advance Italian capital markets with US investors.

As part of this agreement, just a few months after the Italian Market Momentum Conference held in Washington DC on 12 October 2018 and the Italian Market Momentum Business Lunch held in New York on 15 October 2018, we proposed another Italian Market Momentum Business Lunch which was held in New York in May 2019 during which institutions, companies and US investors had a chance to discuss current economic opportunities and challenges in Italy.

During the event, which featured several high-profile speakers, our Research Team presented an update of the study “Italian Financial Markets, Industrial Trends and Investment Opportunities”, that makes a case for Italy as an interesting investment opportunity.

With a view, again, to focusing the attention of investors on a few of the Italian stock market’s quality names, we organized the **Italian Champions Conference** for the second time in a row in Milan and for the first time in London. More than 60 Italian institutional investors and approximately 40 UK investors met with the top management of 6 listed companies, characterized by solid business models and leaders of their reference sectors.

The event always generates a lot of investor interest as the Italian Champions represent investment opportunities which provide returns that are decidedly higher than the main Italian stock market indices, as also shown in a study published by our Research Team.

The other events organized in 2019 by our Research Team include conferences relating to Utilities, Bonds, Infrastructure, Engineering & Construction, and Small Caps which were very well received by both Italian and foreign investors.

We were speakers on Sustainability:

- to the round table **“Impact investing to create shared value”**, held during the **CSR and Social Intervention Exhibition**, the most important event in Italy dedicated to sustainability;
- to the round table of the 5th edition of the **Italy Corporate Governance Conference** (ICG conference) promoted by the Corporate Governance Committee and organized by Assonime and Assogestioni, in partnership with the OECD and with the support of *Borsa Italiana*, during which prominent representatives of institutions, businesses and the Italian and international financial community, discussed changes in Italian corporate governance;
- during the monthly convention on **sustainability** organized by the *Associazione dei Commercialisti*.



## Awards

The high degree of client loyalty and the awards that we receive each year testify the effectiveness of the steps we take constantly to satisfy the needs of our clients and the financial community.

In 2019 our Sales & Trading and Research divisions were once again **amongst the top ranked teams** based on the main international rankings.

During the **Financecommunity Awards** one of the co-heads of Investment Banking also received important recognition as professional of the year in the **Equity Capital Markets** category.

In 2019 we were also recognized as the **Best Independent Investment Bank 2019 – Italy** by AI Acquisition International which, each year, selects the finance sector companies that have demonstrated excellence, commitment and dedication.

Equita also received the **Guido Carli/Lombard Award** for best SIM during the **Milano Finanza Global Awards 2019**.





**Supporting social and economic  
development of the community**

**SCHOLARSHIPS**

**"FUORI CLASSE DELLA SCUOLA" INITIATIVE**

**ALTERNANZA SCUOLA-LAVORO**

**PARTNERSHIP PONTI PER L'ARTE**

**BRERA/Z MAGAZINE**

**PARTNERSHIP WITH ACCADEMIA DI BRERA**

**CHARITY INITIATIVES**

We strive to foster the social and economic development of the community by investing in the education of young people, in the enhancement of our city and the promotion of art and culture.

In order to do this, we collaborate with universities, institutions and associations through sponsorships, events and donations.

### Equita and the community...

The initiatives of Equita designed to support the community embrace also the social sphere.

A commitment of this sort is reflected in the CSR Strategic Plan 2020-22 which includes support of initiatives like **corporate volunteering** and/or participation in **sporting events**, like the **“Milano Marathon”**. A part of the marathon registration fee is donated to the charity of your choice.

We act as sponsor of **#RockForGood** in London, the initiative organized by **ALTSO**. The non-profit organization ALTSO provides free life-changing prosthetic limbs, orthotic braces, and appropriately fitted wheelchairs to **#CoolKids** living with untreated limb disabilities in the developing world.

Each year we also organize the **“Lotteria di Natale”** at our offices. The raffle prizes are given directly by employees, while the proceeds from the sale of tickets are given to a different charity each year.



### Equita and culture....

Investing in young people and promoting their talent is a strategy that has always distinguished us and contributes to supporting social development while creating, at the same time, culture, new opportunities, value and, ultimately, wellbeing.

Therefore, we have long been committed to forging partnerships with Italian Universities and Associations that have social impacts particularly in terms of encouraging the professional growth of young people.

In 2019 we provided funding for:

- a scholarship for a **Master's Degree in Finance: Instruments, Markets and Sustainability**, organized by **ALTIS Alta Scuola Impresa e Società dell'Università Cattolica** (Università Cattolica's graduate school of business), to provide a financial education to graduates of all subjects and focusing in particular on ethical and sustainable finance.
- two annual scholarships for talented Bocconi University students;

- three scholarships for students of the Brera Fine Arts Academy and three donations to assistants for educational and research purposes.

Our educational programmes not only cater to university students, but also to high school students. We, in fact, promote:

- as of 2016 - the "**I fuori classe della scuola**" initiative, funding scholarships for the best Italian high school students ([www.fuoriclassedellascuola.it](http://www.fuoriclassedellascuola.it));
- as of 2017, - the "Alternanza scuola-lavoro" work experience programme, giving high school students the opportunity to get a first glimpse of the world of work.

Moreover, we have strengthened relations with both universities and associations through the free contribution of our experts to some academic courses.

In 2019, we hosted the following:

- at our offices: a lecture for students of an **Advanced Course in Licensing & Brand Extension at Milan's Politecnico**, aimed at highlighting the impact that the financial sector has on the world of design;
- a company visit for the students of Exeter University - **SDA Bocconi's** Master in Finance course during which the company was presented, with a focus on the bond markets;
- a joint company visit of students from **Bocconi's** Master in Corporate Finance (MCF) and Executive Master in Financial Investments (EMFI) students representing the Angola Sovereign Wealth Fund;
- a company visit for the students of **Altis Università Cattolica's** Master in "Finance: Instruments, Markets and Sustainability" during which the company was presented, with a focus on sustainability.

## Equita and art....

Of Equita's many give-back initiatives, one that holds a special place is the support of art and its institutions.

Toward this end, we formed a partnership with the **Brera Fine Arts Academy**, the centre of Milan's cultural heritage and a hotbed for future talent thanks to its research and educational activities.

The purpose of the partnership is to create value through an initiative that rewards young talent and promotes education

and research in the arts at one of Milan's most important cultural and artistic institutions.

As part of this partnership, we participated in the inauguration of 'Accademia Aperta' the exhibition that takes place each year between July and August in the Academy's hidden corners, classrooms, workshops and studios, to announce our initiatives and renew our commitment to young people and the arts. In 2019 we, once again, awarded merit scholarships and made donations to students and assistants for educational and research purposes.

On this occasion in 2019 we also presented the second edition of the "**Equita for Brera Award**". A panel of judges comprising representatives of Equita, the Brera Fine Arts Academy and Editorial Domus selected four winners. The works were purchased by Equita and put on permanent display in our offices and are now part of Equita's private collection dedicated to this award.



As a result of the great appreciation expressed for the publication “**Accademia Aperta**”, dedicated to the end-of-the-year exhibit, conceived in 2018 by Equita and Editoriale Domus for the Brera Fine Arts Academy, we promoted and financed **Brera|z**.



Brera|z is a magazine born from the partnership between Equita and the “Brera system” – *Accademia di Belle Arti di Brera, Pinacoteca di Brera, Osservatorio astronomico, Orto botanico, Biblioteca Braidense, Archivio Ricordi,*

*Istituto Lombardo di scienze e lettere* – and brought to life thanks to the invaluable contribution of **Editoriale Domus**, which tells the stories and events that each day make Brera a vibrant and lively cultural hub, with strong ties to the community, but at the same time welcoming and open to dialogue with other important European realities.

A magazine (**translated completely in English**) full of information, stories, reviews that each quarter explores the local contemporary art galleries, architecture, and also features interviews of the current “stars”.

Another example of Equita's strong ties to the art world is the **Equitarte Project** that we have been working on with **Ponti X l'Arte since 2011**.

This project is aimed at promoting young artists who also work in innovative environments and mediums. We display the artwork of painters, photographers and other artists in our meeting rooms and corridors, turning our offices into a veritable art gallery and enabling our clients and employees to admire the pieces and, if they so wish, to buy them.

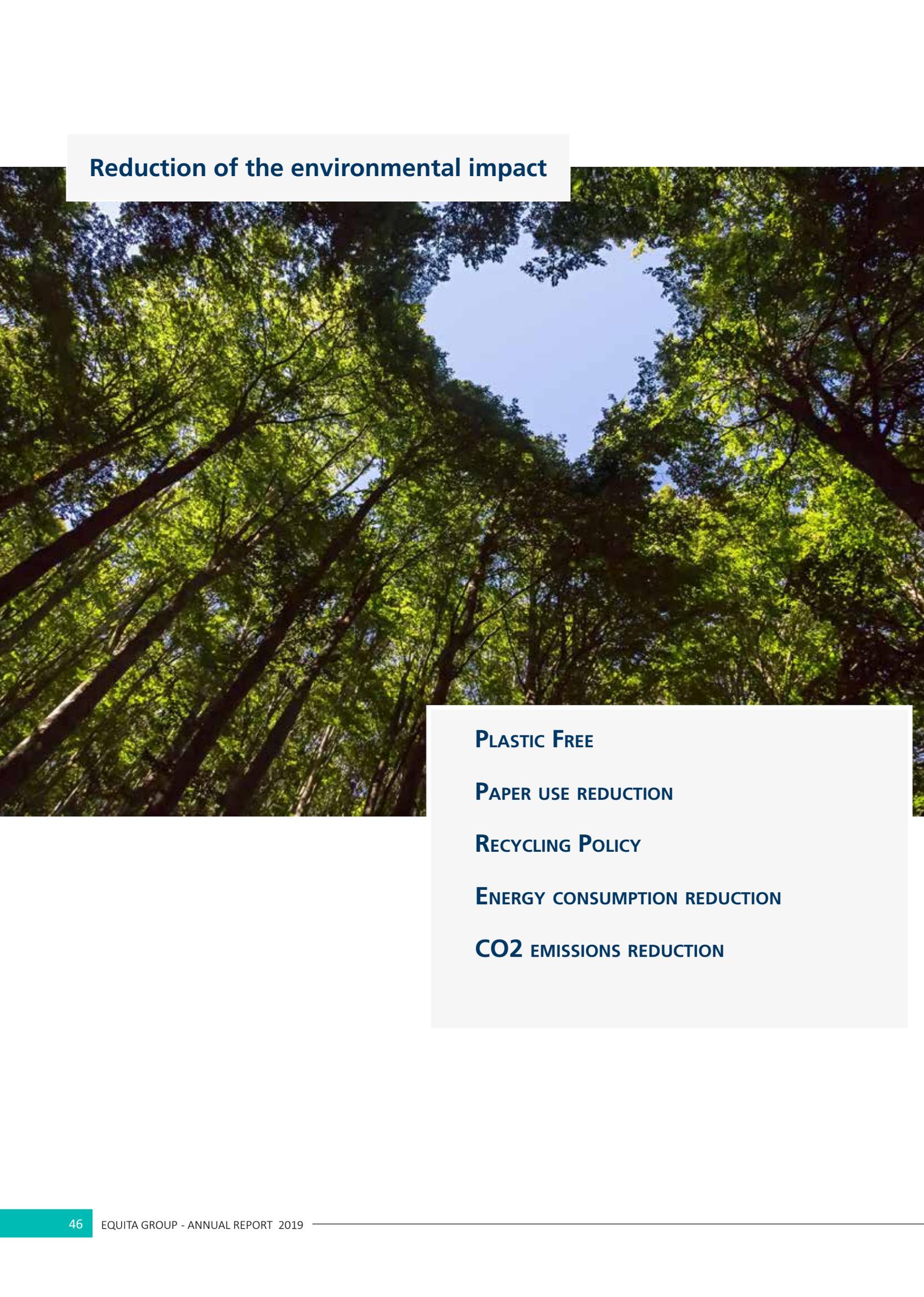
Our commitment to promoting the arts is reflected not only in the numerous initiatives we organize for our employees, but also for our clients.

A few of the company events organized for them are held at prestigious cultural locations such as, for example, the *Museo Diocesano* in Milan, the *Museo dei Navigli*, *Palazzo Colonna* in Rome, *Pinacoteca Tosio Martinengo* in Brescia.

In 2019, we also invited our clients to the event “**Serata d'estate all'Accademia di Brera**” which each year provides an opportunity to visit the Academy's studios and classrooms, as well as admire the work of students from different artistic disciplines.

GINEVRA TARABUSI, *Pinocchio*, 2019





## Reduction of the environmental impact

**PLASTIC FREE**

**PAPER USE REDUCTION**

**RECYCLING POLICY**

**ENERGY CONSUMPTION REDUCTION**

**CO<sub>2</sub> EMISSIONS REDUCTION**

As a service company our environmental footprint is marginal in comparison to that of a manufacturing company. Well aware, however, that sustainable economic development is possible only if the environment is preserved, we have implemented a series of initiatives designed to protect it.

We have adopted a “**Code of Conduct for a Sustainable Office**” which represents an self-regulatory tool adopted in order to:

- raise the awareness of employees about the environmental impact that their daily actions have and provide common sense rules;
- define, by using specific **policies**, rules to reduce the direct environmental impact;
- anticipate compliance with a few of the obligations introduced in EU Directive 2018/0172 on single use plastic which will take effect by 2021.

The Code contains both a **Recycling Policy** and a “**Handbook for environmental protection**” which focuses on:

- the efficient use of natural resources;
- the correct use of company equipment;
- the introduction of greener corporate mobility.

Over the years we have implemented a series of initiatives to reach these objectives. More in detail:

**To abolish the use of plastic**, we:

- installed purified water dispensers that can be used to fill the personalized water bottles distributed to all employees and staff members;
- substituted the plastic bottles found in meeting rooms with glass ones;
- substituted the plastic cups used in hot drink dispensers with paper ones and the stirrers with biodegradable plastic ones;
- began using just biodegradable coffee pods.

**To reduce the use of paper**, we began:

- using only ECF (Elemental Chlorine Free) paper;
- using recycled paper to print internal documents;
- using electronic means to communicate rather than paper;
- using the duplex printing mode.

We also:

- installed printers with PINs. This initiative made it possible to significantly reduce the number of print-outs (above all, incorrect or superfluous copies) and sensitize employees to the responsible use of paper;
- created a digital suite which the members of the BoD and the various committees could access in order to consult documents;
- made video projectors available in a few meeting rooms in order to visualize, rather than print, documents.

**To promote recycling**, we:

- made special, labeled waste containers available in designated areas for paper/plastic/compost/landfill;
- hung the manual, “Where do I throw it away?”, which shows where and how the main products used in the office should be disposed of, in the lunch room;
- hired a specialized firm to collect and dispose of toner, which is the only dangerous waste produced by the company.

**To reduce the consumption of electricity**, we:

- configured, for all company computers, the automatic shutdown of the monitor after 10 minutes of inactivity and the restarting with a simple movement of the mouse or keyboard;
- introduced LED lighting systems throughout the offices

**To reduce CO2 emissions**, we:

- made two company bicycles available to all employees to be used for short trips;
- expanded the use of flexible benefits for transit passes.

## Improvement of health and safety



**WORK  
SAFETY**

**836 HOURS OF HEALTH AND SAFETY TRAINING**

**NO ACCIDENT AT WORK**

**DEFIBRILLATOR AVAILABILITY**

**FIRST AID FOR CHOKING, PROVIDED BY THE  
ITALIAN RED CROSS**

**MEDICAL CHECK-UPS**

We view health and safety in the workplace as a priority, in order to guarantee not only compliance with the law, but also to ensure maximum wellbeing for professionals during their working hours. For this reason, the commitment to constantly improve these areas has become an integral part of our Strategic CSR Plan and is the subject of specific initiatives relating, above all, to prevention.

Even if there are no high risk activities, we have a **workplace health and safety management system** based on which organisational responsibilities, processes and resources for the application of the regulations protecting employees, are identified.

Each year the offices are subject to **compliance checks**, which entail the **examination of documents** and **workplace inspections** (of the workplace environment and the equipment used) and, when necessary, the drafting of a **plan for improvement**.

Each year we organize periodic safety meetings which company representatives attend, along with the relative doctor, the heads of the prevention and protection department and the worker safety representatives.

During the meeting the results relating to **risk assessment**, accidents and the training provided are discussed.

Over the years, no accidents or instances of occupational disease have been reported.

Training is part of the prevention activities promoted by the Group. In 2019 **around 836 hours of health and safety training** were provided via the e-learning platform.

The majority of employees has received, in accordance with the law, general training about workplace safety. For those who have supervisory roles in the company, additional training was provided in order to ensure that workers conduct themselves in accordance with the law and the company procedures relating to health and safety.

Specialized training was also provided to personnel selected and prepared for the use of the Group defibrillator.

We have planned a course on the **first aid for choking**, provided by the Italian Red Cross, in 2020. In addition to the above initiatives, there are also those relating to preventive healthcare (**Medical check-ups**) and health insurance already described in the section "Welfare".

