



# Statement on principal adverse impacts of investment decisions on sustainability factors

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Financial market participant: Mediolanum International Funds Limited  
Legal Entity Identifier: 635400QXP44PVCLIQZ57





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## 1. Summary

This Principal Adverse Impact (“PAI”) Statement outlines how Mediolanum International Funds Limited (“MIFL”) considers principal adverse impacts (“PAIs”) of its investment decisions on sustainability factors on behalf of the funds under management and discretionary mandates for which MIFL acts as the appointed investment manager. This statement on the principal adverse impacts of investment decisions on sustainability factors covers the reporting period from 1 January 2025 to 31 December 2025.

The main negative effects in relation to the financial instruments in which MIFL invests are taken into account at entity level through the monitoring of the indicators outlined in the regulatory technical standards (Reg. (EU) 2022/1288) supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “SFDR”). MIFL considers both mandatory indicators and two additional voluntary indicators as proposed by the regulations.

The consideration of the negative effects of investments on sustainability factors is described in MIFL’s Responsible Investment policy - available [here](#).



## 2. Description of the principal adverse impacts on sustainability factors

MIFL aims to mitigate the negative impacts of its investment decisions on sustainability factors by considering PAIs as part of the investment process. PAIs are impacts of investment decisions that result in negative effects on sustainability factors (i.e., environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters) - even if they do not affect the value of an investment.

MIFL considers it necessary to assess the negative effects on sustainability factors generated through its activities and has therefore adopted safeguards and measures based on data and information currently available.

This section presents data on the negative impact of MIFL's investments on sustainability factors for the period from 1 January 2025 to 31 December 2025. The publication of this data will be updated annually.

MIFL considers sixteen mandatory PAI indicators against which investment portfolios are measured, as well as two additional indicators: the first additional voluntary indicator, which has an environmental focus, measures the share of investment in companies without carbon emission reductions (Table 2, indicator 4); the second additional indicator, which has a social focus, concerns the share of investments in companies that lack a human rights policy (Table 3, indicator 9).

As of the date of this statement, MIFL uses MSCI ESG Manager as its sole third-party data service provider in respect of

environmental, social and governance data. On this basis, MIFL is reliant on the methodology and the data coverage made available by MSCI which may be subject to change. MIFL does not perform any estimation of data.

MIFL completes a look-through calculation across its holdings every quarter and applies data from a single point in time (year-end) for the 18 PAIs (both mandatory and additional PAIs), across all funds.

MIFL will align its reporting with the EU regulatory requirements as outlined under the SFDR and the SFDR RTS Level 2 Measures. The table below includes all the mandatory and the selected additional SFDR PAI metrics as published under Annex I of the SFDR RTS Level 2 Measures.

The following data represents the aggregation of values relative to each security invested by the entity.

**These tables will be updated annually by 30 June to include quantitative information at the individual entity level, and in accordance with the SFDR RTS Level 2 Measures.**

*During 2025, MIFL's actions were primarily focused on six prioritised PAIs aligned to its core SDGs, alongside oversight of PAI 14 through the application of its exclusion framework. Targeted engagement and proxy voting reduction initiatives were applied to the six prioritised indicators. The remaining PAIs were subject to ongoing monitoring in line with regulatory requirements.*

Table 1

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>					
<b>Greenhouse Gas Emissions</b>					
<b>1. GHG Emissions</b>	Scope 1 GHG Emissions – measured in tonnes of CO2 equivalent	1,976,326.70	1,939,525.91	<p>Sum of portfolio companies' Carbon Emissions - Scope 1 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 95.21%. Data estimated by the data provider: 5.94%.</p>	<p><b>Note:</b> The increase in absolute GHG emissions primarily reflects the growth in assets under management, while the marginal change in GHG intensity (PAI 3) is driven by portfolio composition, with new investments exhibiting higher emissions profiles compared to those divested.</p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, MIFL has continuously monitored the performance of these indicators and the following actions were taken:</p> <p><b>MIFL Responsible Investment (RI) Policy</b></p> <p>Included in MIFL's RI policy, is the prioritisation of 3 Environmental SDGs (7, 12 and 13). To measure its impact across these 3 SDGs, MIFL has mapped 5 PAI including PAIs 1, 2 &amp; 3.</p> <p><b>MIFL's Carbon Reduction Programme:</b></p> <p>In 2025 MIFL implemented a carbon reduction objective across a subset of its assets. Funds in-scope comprise all MIFL's sustainable investment fund range (Article 8 and Article 9 funds) as at July 2025<sup>1</sup>. MIFL has chosen "Carbon Footprint" as its unit of measurement for monitoring the reduction of carbon for assets in scope (Scope 1 and Scope 2 only).<sup>2</sup> MIFL has set a carbon reduction glide pathway targeting a 70% reduction in Carbon Footprint (scope 1 and 2) by 2050, using 2022 as the base year. It has set interim targets of a 30% reduction by 2030 and a 45% reduction by 2040, compared to the base year<sup>3</sup>.</p> <p><b>Engagement:</b> Within the Multi-Manager Team, the Manager Selection Team is responsible for overseeing 125 external investment strategies. In 2025, the team conducted at least biannual engagements with each underlying investment manager, during which ESG considerations formed an integral part of the due diligence process. MIFL's priority SDGs and chosen PAI including PAI 1, 2 and 3, were part of these engagements.</p> <p>In 2025, the MIFL Single Securities team in conjunction with Glass Lewis, carried out the second year of its direct engagement programme targeting 50 companies held across their portfolios. An additional 2 companies were added in 2025. From the overall engagement portfolio, 22 companies were engaged in connection to PAI 1, 2, and 3. Twelve companies responded to the outreach and five of them have shown progress against the objectives identified.</p>
	Scope 2 GHG Emissions – measured in tonnes of CO2 equivalent	444,556.15	425,392.93	<p>Sum of portfolio companies' Carbon Emissions - Scope 2 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 95.21%. Data estimated by the data provider: 8.42%</p>	
	Scope 3 GHG Emissions – measured in tonnes of CO2 equivalent	14,180,714.57	13,490,544.08	<p>Sum of portfolio companies' Scope 3 - Total Emission Estimated (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 95.24%. Data estimated by the data provider: 95.24%.</p>	

<sup>1</sup> Funds in-scope comprise all MIFL's sustainable investment fund range (Article 8 and Article 9 funds) as of July 2025. In September 2025, MIFL reclassified one of its existing funds to Article 8 under the SFDR. This fund remains out of scope for several reasons including the cut-off point of 31st July, as well as the inability of this fund to implement a carbon footprint reduction target due to its fund of fund portfolio structure, comprising of several UCIT funds. As of 31st December, no other changes have been made to this list.

<sup>2</sup> Carbon Footprint consists of emissions from all activities and processes. It is independent of AUM as it normalises emissions by the amount invested. While Carbon Footprint can include Scope 1, Scope 2 and Scope 3 emissions, due to the lack of availability of reliable Scope 3 data, MIFL will only include Scopes 1 and 2.

<sup>3</sup> MIFL reserves the right to periodically review the scope and the intermediate targets to consider the trajectory, the evolution of the market and the regulatory environment.

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INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>					
<b>Greenhouse Gas Emissions</b>					
<b>1. GHG Emissions</b>	Total GHG Emissions – measured in tonnes of CO <sub>2</sub> equivalent	16,694,645.67	15,837,539.81	<p>The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with the market value of the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 95.18%. Data estimated by the data provider: 95.18%.</p>	<p><b>Proxy Voting:</b> In 2021 MIFL created a custom voting policy to align its voting with its prioritised UN Sustainable Development Goals (SDGs) as outlined in MIFL's Responsible Investment policy. Throughout 2025, MIFL voted on a variety of proposals that deal with GHG emissions, from holding directors accountable for risk mitigation strategies to supporting shareholder proposals that seek further disclosure on a company's GHG emissions and strategies. For Board- Related proposals, MIFL voted Against 78 directors for insufficient oversight of SBTi GHG emissions targets, 34 directors for insufficient oversight of GHG emissions targets, 22 directors for insufficient oversight of sustainability issues, 23 directors at 23 companies for failure to adopt net zero targets and 285 directors at 102 companies for failure on the reporting to the Sustainability Accounting Standards Board (SASB).</p> <p>In addition, MIFL's voting policy expects that at a minimum, companies are expected to have a link between remuneration and environmental considerations. For those companies that have greater exposure to environmental and climate-related issues, the expectation is that executives are adequately incentivised to act in ways that mitigate a company's climate impact. For remuneration-related proposals, MIFL voted against two Tier 1 companies for their failure to incentivise mitigation of climate related issues, against six Tier 2 companies for their failure to incentivise mitigation of material environmental risks and against 163 Tier 3 companies for their failure to incentivise mitigation of material environmental and social risks.</p> <p>MIFL also voted in favour of shareholder proposals requesting companies to provide reporting on their actions with respect to climate change. Shareholder proposals regarding Climate Transition Policies, Climate Action Plans, and Reduction of GHG Plans were prominent across MIFL's holdings in 2025 and strongly aligned with the objectives of SDG 13 – Climate Action. For more information, see <a href="#">MIFL's Proxy Voting Summary 2025</a>.</p>
<b>2. Carbon Footprint</b>	Carbon Footprint – measured in tonnes of CO <sub>2</sub> equivalent per million EUR invested	368.14	365.12	<p>The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 95.18%. Data estimated by the data provider: 95.18%.</p>	<p><b>ACTIONS PLANNED</b></p> <p>These PAI indicators are considered a priority for MIFL. We will continue to monitor their performance and will investigate any negative trend by engaging with the underlying managers to promote improvement over time.</p> <p>MIFL plans continued dialogue with the investee companies included in its Single Securities engagement project with Glass Lewis, with a staggered outreach scheduled throughout 2026. MIFL believes that continuous and long-term engagement plays a significant role in achieving the objectives set and communicated to companies, and tangible PAI improvement. An initial three-year timeframe has been established for measuring progress against the objectives set for the engagements.</p> <p>In the 2024-2026 strategic plan, MIFL has selected specific carbon indicators to monitor across all its assets, aimed at addressing climate change within investments, with the goal of defining objectives related to GHG emissions. While MIFL has implemented a carbon footprint reduction programme across a sub-set of assets, it will continue to monitor these carbon targets for the time being.</p>
<b>3. GHG intensity of investee companies</b>	GHG intensity of investee companies – measured in tonnes of CO <sub>2</sub> equivalent per million EUR of revenue	868.46	848.98	<p>The portfolio's weighted average of its holding issuers' GHG Intensity (Scope 1, Scope 2 and estimated Scope 3 GHG emissions/EUR million revenue).</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 95.27%. Data estimated by the data provider: 95.27%.</p>	

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<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>					
<b>Greenhouse Gas Emissions</b>					
<b>4. Exposure to companies active in the fossil fuel sector</b>	Share of investments in companies active in the fossil fuel sector	7.28%	7.67%	<p>The percentage of the portfolio's market value exposed to issuers with fossil fuels related activities, including extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal.</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 95.18%. Data estimated by the data provider: 0.00%.</p>	<p style="text-align: center;"><b>ACTIONS TAKEN</b></p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator and the following actions were taken:</p> <p style="text-align: center;"><b>Proxy Voting Policy</b></p> <p>In 2025, MIFL voted in line with its proxy voting policy for a variety of shareholder proposals (SHP) including for example, voting in favour of SHPs that required both a financial institution and a utility company to disclose their fossil fuel exposure and approach for assessing portfolio alignment with net zero emissions by 2050.</p> <p style="text-align: center;"><b>ACTIONS PLANNED</b></p> <p>MIFL will continue to monitor the performance of this indicator and will investigate any negative trend.</p>

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Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse Gas Emissions					
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources, expressed as a percentage of total energy sources	61.49%	62.88%	<p>The portfolio's weighted average of issuers' energy consumption and/or production from non-renewable sources as a percentage of total energy used and/or generated.</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 94.76%. Data estimated by the data provider: 12.45%.</p>	<p><b>ACTIONS TAKEN</b></p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator and the following actions were taken:</p> <p><b>MIFL Responsible Investment Policy:</b> Included in MIFL's RI policy, is the prioritisation of 3 Environmental SDGs (7, 12 and 13). To measure its impact across these 3 SDGs, MIFL has mapped 5 PAI including PAI 5.</p> <p><b>Engagement:</b> Within the Multi-Manager Team, the Manager Selection Team is responsible for overseeing 125 external investment strategies. In 2025, the team conducted at least biannual engagements with each underlying investment manager, during which ESG considerations formed an integral part of the due diligence process. MIFL's priority SDGs and chosen PAI, including PAI 5, were part of these engagements.</p> <p>In 2025, the MIFL Single Securities team in conjunction with Glass Lewis, carried out the second year of its direct engagement programme targeting 50 companies held across their portfolios. An additional 2 companies were added in 2025. From the overall engagement portfolio, 14 companies were engaged in connection to PAI 5. Six companies responded to the outreach and one of them has shown progress against the objectives identified.</p> <p><b>Proxy Voting:</b> In 2025, MIFL voted in line with its proxy voting policy on a variety of shareholder proposals including for example voting in favour of SHPs for a number of large financial institutions to annually disclose their "Clean Energy Supply Financing Ratio in low-carbon energy supply relative to that in fossil-fuel energy supply. Clean-energy-to-fossil-fuel financing ratios have emerged as a key metric for assessing progress in financing the clean energy transition.</p> <p><b>ACTIONS PLANNED</b></p> <p>This indicator is considered a priority for MIFL. We will continue to monitor its performance and will investigate any negative trend by engaging with the underlying managers to promote improvement over time.</p> <p>MIFL plans continued dialogue with the investee companies included in its Single Securities engagement project with Glass Lewis, with a staggered outreach scheduled throughout 2026. MIFL believes that continuous and long-term engagement plays a significant role in achieving the objectives set and communicated to companies, and tangible PAI improvement. An initial three-year timeframe has been established for measuring progress against the objectives set for the engagements.</p>

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Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>					
<b>Greenhouse Gas Emissions</b>					
<b>6. Energy consumption intensity per high impact climate sector</b>	NACE Code A (Agriculture, Forestry and Fishing)	0.48	0.26	<p>The portfolio's weighted average of Energy Consumption Intensity (GwH/ million EUR revenue) for issuers classified within its respective NACE Code.</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 94.76%. Data estimated by the data provider: 12.45%.</p>	<p><b>Note:</b> The portfolio's exposure to each of these nine sectors is marginal, amounting to approximately 35% of investments overall; consequently, even small variations can result in a seemingly significant percentage difference.</p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, MIFL has continuously monitored the performance of these indicators.</p> <p><b>ACTIONS PLANNED</b></p> <p>MIFL will continue to monitor the performance of these indicators and will investigate any negative trends.</p>
	NACE Code B (Mining and Quarrying)	1.36	1.55		
	NACE Code C (Manufacturing)	0.32	1.52		
	NACE Code D (Electricity, Gas, Steam and Air Conditioning Supply)	4.65	5.19		
	NACE Code E (Water Supply; Sewerage, Waste Management and Remediation Activities)	0.67	0.76		
	NACE Code F (Construction)	0.16	0.16		
	NACE Code G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles)	0.31	0.28		
	NACE Code H (Transportation and Storage)	1.66	1.58		
	NACE Code L (Real Estate Activities)	0.38	0.39		

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>					
<b>Biodiversity</b>					
<b>7. Activities negatively affecting biodiversity-sensitive areas</b>	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas.	8.91%	8.45%	<p>The percentage of the portfolio's market value exposed to issuers' that reported having operations in or near biodiversity sensitive areas and have been implicated in controversies with severe or very severe impacts on the environment.</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 95.97%. Data estimated by the data provider: 95.97%.</p>	<p><b>ACTIONS TAKEN</b></p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator and the following actions were taken:</p> <p><b>Proxy Voting:</b> In 2025, MIFL voted in line with its proxy voting policy on a variety of shareholder proposals including for example voting in favour of a SHP for a food and beverage company to prepare a public report, assessing the extent to which the company's supply chains and operations impact biodiversity and are vulnerable to biodiversity loss.</p> <p><b>ACTIONS PLANNED</b></p> <p>MIFL will continue to monitor the performance of this indicator and will investigate any negative trends.</p>

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Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>					
<b>Water</b>					
<b>8. Emissions to water</b>	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.12	0.06	<p>The total annual wastewater discharged (metric tons reported) into surface waters as a result of industrial or manufacturing activities associated with 1 million EUR invested in the portfolio. Companies' water emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 7.68%. Data estimated by the data provider: 0.00%.</p> <p>Due to the low data coverage of the constituent securities in the portfolios, the number represented may not be a fair representation of the portfolio.</p>	<p><b>ACTIONS TAKEN</b></p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator.</p> <p><b>ACTIONS PLANNED</b></p> <p>MIFL will continue to monitor the performance of this indicator and will investigate any negative trends.</p>

Table 1

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Waste					
9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	2.08	1.66	<p>The total annual hazardous waste (metric tons reported) associated with 1 million EUR invested in the portfolio. Companies' hazardous waste is apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 94.78%. Data estimated by the data provider: 50.93%.</p>	<p><b>Note:</b> The increase in the indicator is mainly due to the allocation choices made by underlying delegate managers.</p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator and the following actions were taken:</p> <p><b>MIFL Responsible Investment Policy:</b> Included in MIFL's RI policy, is the prioritisation of 3 Environmental SDGs (7, 12 and 13). To measure its impact across these 3 SDGs, MIFL has mapped 5 PAI including PAI 9.</p> <p><b>Engagement:</b> Within the Multi-Manager Team, the Manager Selection Team is responsible for overseeing 125 external investment strategies. In 2025, the team conducted at least biannual engagements with each underlying investment manager, during which ESG considerations formed an integral part of the due diligence process. MIFL's priority SDGs and chosen PAI including PAI 9, were part of these engagements.</p> <p>In 2025, the MIFL Single Securities team in conjunction with Glass Lewis, carried out the second year of its direct engagement programme targeting 50 companies held across their portfolios. An additional 2 companies were added in 2025. From the overall engagement portfolio, 14 companies were engaged in connection to PAI 9. Ten companies responded to the outreach and five of them have shown progress against the objectives identified.</p> <p><b>Proxy Voting:</b> MIFL has tailored its voting policy in line with its climate-oriented SDGs.</p> <p><b>ACTIONS PLANNED</b></p> <p>This indicator is considered a priority for MIFL. We will continue to monitor its performance and will investigate any negative trend by engaging with the underlying managers to promote improvement over time.</p> <p>MIFL plans continued dialogue with the investee companies included in its Single Securities engagement project with Glass Lewis, with a staggered outreach scheduled throughout 2026. MIFL believes that continuous and long-term engagement plays a significant role in achieving the objectives set and communicated to companies, and tangible PAI improvement. An initial three-year timeframe has been established for measuring progress against the objectives set for the engagements.</p>

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Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
<b>SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>					
<b>Social and employee matters</b>					
<b>IO. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</b>	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.31%	0.36%	<p>The percentage of the portfolio's market value exposed to issuers with very severe controversies related to the company's operations and/or products.</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.12%. Data estimated by the data provider: 96.12%.</p>	<p><b>ACTIONS TAKEN</b></p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator.</p> <p><b>ACTIONS PLANNED</b></p> <p>MIFL will continue to monitor the performance of the indicator and will investigate any negative trends.</p>
<b>II. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</b>	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	1.01%	0.75%	<p>The percentage of the portfolio's market value exposed to issuers that are not signatories in the UN Global Compact.</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.04%. Data estimated by the data provider: 0.00%.</p>	<p><b>ACTIONS TAKEN</b></p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator.</p> <p><b>ACTIONS PLANNED</b></p> <p>MIFL will continue to monitor the performance of the indicator and will investigate any negative trends.</p>

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<b>SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>					
<b>Social and employee matters</b>					
<b>12. Unadjusted gender pay gap</b>	Average unadjusted gender pay-gap of investee companies – expressed as a percentage	14.52%	13.88%	<p>The portfolio holdings' weighted average of the difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings.</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 88.89%. Data estimated by the data provider: 45.17%.</p>	<p><b>ACTIONS TAKEN</b></p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator.</p> <p><b>ACTIONS PLANNED</b></p> <p>MIFL will continue to monitor the performance of the indicator and will investigate any negative trends.</p>

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<b>SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>					
<b>Social and employee matters</b>					
<b>13. Board gender diversity</b>	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	33.80%	34.53%	<p>The portfolio holdings' weighted average of the ratio of female to male board members.</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 94.34%. Data estimated by the data provider: 0.00%</p>	<p><b>ACTIONS TAKEN</b></p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator and the following actions were taken:</p> <p><b>MIFL Responsible Investment Policy:</b> Included in MIFL's RI policy, is the prioritisation of one Social SDG (5). To measure its impact across this SDG, MIFL has mapped this indicator, PAI I3.</p> <p><b>Engagement:</b> Within the Multi-Manager Team, the Manager Selection Team is responsible for overseeing 125 external investment strategies. In 2025, the team conducted at least biannual engagements with each underlying investment manager, during which ESG considerations formed an integral part of the due diligence process. MIFL's priority SDGs and chosen PAI including PAI I3, were part of these engagements.</p> <p>In 2025, the MIFL Single Securities team in conjunction with Glass Lewis, carried out the second year of its direct engagement programme targeting 50 companies held across their portfolios. An additional 2 companies were added in 2025. From the overall engagement portfolio, 19 companies were engaged in connection to PAI I3. Thirteen companies responded to the outreach and ten of them have shown progress against the objectives identified.</p> <p><b>Proxy Voting:</b> MIFL's Proxy Voting Policy requires that, at large- and mid-cap companies, votes are cast against the members of the nominating and/or governance committee where female representation on the board is below 30%, unless a higher market standard applies. For small-cap companies, the policy requires votes against the male members of the nominating and/or governance committee where there is no female representation on the board.</p> <p>Application of this policy resulted in votes against directors across a number of companies, reflecting MIFL's commitment to improving board gender diversity.</p> <p><b>ACTIONS PLANNED</b></p> <p>This indicator is considered a priority for MIFL. We will continue to monitor its performance and will investigate any negative trend by engaging with the underlying managers to promote improvement over time.</p> <p>MIFL plans continued dialogue with the investee companies included in its Single Securities engagement project with Glass Lewis, with a staggered outreach scheduled throughout 2026. MIFL believes that continuous and long-term engagement plays a significant role in achieving the objectives set and communicated to companies, and tangible PAI improvement. An initial three-year timeframe has been established for measuring progress against the objectives set for the engagements.</p> <p>In addition, MIFL has joined the 30% Club Ireland – Investor Group on collaborative engagement. Established in 2023, the 30% Club Ireland Investor Group was formed to provide a collective approach by asset owners and asset managers with a fiduciary duty to their beneficiaries, to using their influence to achieve and maintain a minimum of 30% gender representation on the board and at the executive management level of Irish companies</p>

**Table 1**

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
<b>SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>					
<b>Social and employee matters</b>					
<b>14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)</b>	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.01%	0.02%	<p>The percentage of the portfolio's market value exposed to issuers with an industry tie to landmines, cluster munitions, chemical weapons or biological weapons. Note: Industry ties includes ownership, manufacturing and investments. Ties to landmines do not include related safety products.</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.06%. Data estimated by the data provider: 0.00%.</p>	<p><b>Exclusions Policy:</b> MIFL has implemented an exclusion policy which is in line with the Italian legislation - Law 9 of 2021 December, n.220 - approved by the Italian Parliament and entered into force on 1 January 2023. As a subsidiary of an Italian banking group, MIFL is obliged to comply with this legislation. The objective of the exclusion policy is to prohibit investments in companies involved in the financing, production, use, sale, distribution, import, export or transfer of anti-personnel mines, munitions and cluster munitions. During the reference period, the indicator maintained stable values year-over-year, remaining at low levels between January 1 and December 31, 2025.</p> <p>MIFL will continue to monitor and execute the implementation of this policy.</p>

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
<b>ENVIRONMENTAL AND SOCIAL INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS</b>					
<b>Environmental</b>					
<b>15. GHG Intensity</b>	GHG intensity of investee countries – measured in Tonnes of CO <sub>2</sub> equivalent per million EUR of GDP	200.09	216.37	<p>The portfolio's weighted average of sovereign issuers' GHG Emissions Intensity (Scope 1, 2 and 3 emissions/EUR M GDP).</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 98.72%. Data estimated by the data provider: 0.00%.</p>	<p><b>Note:</b> The value of PAI 15 decreased mainly thanks to the progressive reduction in per capita emissions by the country's most present within the portfolios.</p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator.</p> <p><b>ACTIONS PLANNED</b></p> <p>MIFL will continue to monitor the performance of this indicator and will investigate any negative trends.</p>

Table 1

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
<b>ENVIRONMENTAL AND SOCIAL INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS</b>					
<b>Social</b>					
<b>16. Investee countries subject to social violations</b>	Number of investee countries subject to social violations (absolute number), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	6.25	7.75	The portfolio's number of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports.  To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 100.00%. Data estimated by the data provider: 0.00%.	<p><b>Note:</b> The indicator improved over the course of the year as a result of management activities, which reduced the portfolio's exposure to a smaller number of countries subject to European Union sanctions.</p> <p><b>ACTIONS TAKEN</b> During the reference period, MIFL has continuously monitored the performance of these indicators.</p> <p><b>ACTIONS PLANNED</b> MIFL will continue to monitor the performance of these indicators and will investigate any negative trends.</p>
	Number of investee countries subject to social violations (relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	5.59%	6.89%	The portfolio's percentage of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports.  To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 100.00%. Data estimated by the data provider: 0.00%.	

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
<b>INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS<sup>4</sup></b>					
<b>Fossil Fuels</b>					
<b>17. Exposure to fossil fuels through real estate assets</b>	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A		

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
<b>INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS<sup>4</sup></b>					
<b>Energy Efficiency</b>					
<b>18. Exposure to energy-inefficient real estate assets</b>	Share of investments in energy-inefficient real estate assets	N/A	N/A		

<sup>4</sup>PAI 17 - Exposure to fossil fuels through real estate assets and PAI 18 - Exposure to energy-inefficient real estate assets were considered to not apply to MIFL.

### 3. Other indicators for principal adverse impacts on sustainability factors

In line with (i) the values and priorities expressed by MIFL in terms of sustainability in section 4.2, (ii) the negative effects of investments, and (iii) having regard to the mandatory indicators made available by the technical standards in force, MIFL has chosen the indicator “Investments in companies without carbon emission reduction initiatives” (Table 2, indicator 4) under “additional climate and other environment-related indicators” and “Lack of a human rights policy” (Table 3, indicator 9) under “Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters. MIFL has not chosen further additional indicators at this time.

Table 2

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Emissions					
4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	44.62%	42.64%	<p>The percentage of the portfolio's market value exposed to issuers without a carbon emissions reduction target aligned with the Paris Agreement.</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 94.84%. Data estimated by the data provider: 94.84%.</p>	<p><b>ACTIONS TAKEN</b></p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator.</p> <p><b>ACTIONS PLANNED</b></p> <p>MIFL will continue to monitor the performance of this indicator and will investigate any negative trends.</p>

Table 3

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
<b>ADDITIONAL SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>					
<b>Human rights</b>					
<b>9. Lack of a human rights policy</b>	Share of investments in entities without a human rights policy	5.21%	5.96%	<p>The percentage of the portfolio's market value exposed to issuers without a formal human rights policy.</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 95.99%. Data estimated by the data provider: 0.00%.</p>	<p><b>ACTIONS TAKEN</b></p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator and the following actions were taken:</p> <p><b>MIFL's Proprietary ESG Rating for Multi-Manager Investments:</b> In 2024 MIFL updated its proprietary ESG Questionnaire to include questions on how the underlying investment manager's consider human rights at an entity level and in their investments.</p> <p><b>MIFL's Proxy Voting Policy:</b> MIFL's Proxy Voting Policy will generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business. Accordingly, the Policy will generally vote for proposals requesting that companies provide greater disclosure regarding impact on local stakeholders, workers' rights and human rights in general. In addition, the Policy will support proposals for companies to adopt or comply with certain codes of conduct relating to labour standards, human rights conventions, and corporate responsibility at large. The Policy will also support proposals requesting independent verification of a company's contractors' compliance with labour and human rights standards. In addition, the Policy supports the International Labor Organization standards and encourage companies to adopt such standards in its business operations.</p> <p><b>ACTIONS PLANNED</b></p> <p>MIFL will continue to monitor the performance of this indicator and will investigate any negative trends.</p>

## 4. Description of policies to identify and prioritise principal adverse impacts on sustainability factors

The Responsible Investment Policy sets out the framework by which MIFL integrates sustainability risks into its investment decision-making process and how the PAIs of investment decisions on sustainability factors are considered. The Responsible Investment Policy was last updated and approved by the Board of Directors of MIFL in November 2025 and will be reviewed annually.

### 4.1 Governance of policies

The MIFL Board has ultimate responsibility for sustainability-related policies. MIFL Board last approved the Responsible Investment Policy in November 2025 and the MIFL Policy on Sustainability 2025 in April 2025. Both policies are reviewed by the Board each calendar year.

The MIFL Investment Committee provides the management oversight of the implementation of those sustainability policies. The Investment Team implements the Responsible Investment Policy. The Compliance Team implements Trade Compliance Monitoring for ESG binding restrictions for Article 8 and 9 Funds. The Risk team provide further support in monitoring and assessing sustainability risks. Finally, the Internal Audit Team will carry out periodic audit reviews of the Responsible Investment Framework.



#### 4.2 Methodologies used for selecting PAI indicators

MIFL's approach to monitoring of PAIs follows Annex 1 of the SFDR RTS Level 2 Measures which set out the mandatory indicators which must be used to measure the principal adverse impact of investment decisions on sustainability factors together with a selection of additional optional indicators that can be chosen.

MIFL monitors sixteen applicable mandatory indicators relating to greenhouse gas emissions, biodiversity, water, waste, social and employee matters, indicators which are applicable to investments in investee companies and indicators applicable to investments in sovereigns and supranationals as outlined under section 2 above. In addition, MIFL has selected two additional indicators, one environmental and one social as outlined under section 3 above. MIFL's approach to selection of the additional voluntary indicators (one climate and one social) is to assess the potential list based on MSCI coverage. This narrowed the selection from 22 to 6 climate and from 24 to 20 social. MIFL's ESG team reviewed the selection and made a recommendation to the MIFL investment team who reviewed the proposal. The rationale for the selection of the additional voluntary PAI is as follows:

Investments in companies without carbon emission reduction initiatives: to support the transition to reach net-zero greenhouse gas emissions by 2050 or sooner, it is critical for companies to set decarbonisation targets and plans. MIFL expects this to become a minimum standard for companies, especially those in climate-critical sectors.

Lack of a human rights policy: human rights are foundational to society and investments companies that are found to be involved in severe human rights issues and incidents should be subject to heightened scrutiny.

Final approval was provided by the CIO.

MIFL has decided to prioritise three environmental-oriented United Nations Sustainable Development Goals ("SDGs") (SDG 7 Affordable and Clean Energy, SDG 12 Responsible Consumption and Production and SDG 13 Climate Action) and one social-oriented SDG (SDG 5 Gender Equality) to assess its assets under management with the aim of seeking improvement in the long term. MIFL has aligned its Proxy Voting policy in line with these SDGs and engages with Delegate Managers on these SDGs.

For engagement with Managers, MIFL has mapped 6 PAIs to measure its impact on its 4 prioritised SDGs. MIFL engages with underlying fund managers and companies in direct investments with the aim of delivering improvement across these six PAI over time. Please see section 4.3 for more detail.

MIFL aims to manage the risk connected to potential adverse sustainability impacts from its investments by monitoring and evaluating the range of PAIs outlined under sections 2 and 3 above. Consideration of PAI indicators is applied across asset classes and to all mandates, not just those labelled “sustainable investments”. However, MIFL acknowledge that the degree of relevance or materiality may vary across asset classes, as does the current state of integration by strategies within asset classes.

MIFL takes its prioritised PAI into account in its due diligence procedures for the selection and ongoing monitoring of investments, through various methods ranging from reduction of emissions thresholds, voting and engagement, and other planned actions. The Investment Team and sub-investment groups will use the reports for consideration within the investment process to make an overall assessment of potential concerns, as the basis for engagement with companies or managers.

### 4.3 Single Securities ESG Framework

MIFL’s Internal Portfolio Management (“Single Securities”) team integrates ESG into the management of its portfolios, engages with investee companies as part of an engagement framework in conjunction with Glass Lewis and is a participant in MIFL’s proxy voting. Furthermore, the portfolios managed by the team adhere to the firm’s Controversial Weapons Policy. The Single Securities ESG framework, like MIFL’s multi-management approach, prioritises SDGs 5, 7, 12 and 13 and the six key PAIs associated with those. This framework guides the ESG Team’s efforts and reflects MIFL’s commitment to climate change, clean energy and gender equality. We seek to affect change through our stewardship activities. MIFL looks to affect improvement over time through engagement via our Single Securities Team across the PAI and in turn the prioritised SDGs. MIFL’s Proxy Voting Policy is also aligned to our prioritised SDGs.

#### 4.3.1 ESG Integration

MIFL’s Single Securities Team is structured around three sub-asset classes: Fundamental Equities, Quantitative Equities and Fixed Income. Although the three teams follow the firm’s overall responsible investment framework of active ownership and risk management, ESG integration for each sub-asset class is outlined below, reflecting the idiosyncrasies of each asset class.

#### 4.3.1.1 Fundamental Equities

The team monitors MIFL's prioritised PAIs with the goal of achieving long-term progress on chosen SDGs 5, 7, 12 and 13, corresponding to Gender Equality, Affordable and Clean Energy, Climate Action and Responsible Consumption and Production. The team has access to MSCI ESG Manager for underlying PAI data. The identification of sustainability themes and the subsequent detection of companies with exposure to these themes can help to provide a competitive edge. These themes may include structural growth areas, including renewable energy production, decarbonisation of industrial processes, sustainable agriculture and food production, resource conservation and the circular economy. Understanding companies' exposure to these areas can help to uncover sustainable competitive advantages, which may lead to increased market share or superior profitability in one of these industries. MSCI ESG Manager, sell-side research, company reports and information garnered from company engagement can assist in this. Assessing companies' exposure to industry-specific ESG risks, which are non-financial business risks, helps to identify business or operational risks which may not be apparent through traditional fundamental analysis. A focus on non-financial risk provides an edge to our fundamental research. ESG research findings are stored in MIFL's proprietary research template so that they can be easily shared across the team.

#### 4.3.1.2 Quantitative Equities

The team monitors MIFL's prioritised PAIs with the goal of achieving long-term progress on chosen SDGs 5, 7, 12 and 13, corresponding to Gender Equality, Affordable and Clean Energy, Climate Action and Responsible Consumption and Production. The team has access to MSCI ESG Manager for underlying PAI data. These metrics can be tracked alongside the team's factor models for a universe of over 8,000 companies. This exercise helps in the identification of global leaders and laggards in countries and sectors from a PAI point of view. PAI data is updated daily and can be assessed at a single security level or an aggregated portfolio level. Data can also be passed into the team's optimisation process, which can be used to directly assess the impact of portfolio rebalances.

In September 2025, MIFL's Single Securities Quantitative Team launched an Article 8 sleeve for inclusion in a MIFL Article 8 fund. To define the ESG characteristics and binding elements for this Article 8 strategy, the MIFL's Single Securities Quantitative Equity team has developed an ESG framework consisting of three core pillars, which forms the basis for its approach: 1) Product & Regulatory, 2) ESG Exclusions, and 3) ESG Integration. This approach is enabled by the integration of ESG data and factors into the team's portfolio optimisation, analytics and research platforms. This allows the team to target and monitor ESG factors alongside traditional factor and risk exposures.

For more detail on the approach taken by the Quantitative Single Securities team for management of an Article 8 strategy/ internal sleeve, see section 2.2.3 of MIFL's [Responsible Investment Policy](#).

#### 4.3.1.3 Fixed Income

MIFL's Fixed Income Team monitors ESG metrics and the performance of MIFL's chosen PAI on a regular basis, including at the monthly Sub-Investment Group meeting. It uses MSCI for overall portfolio analysis and the Moody's ESG scoring system to assess issuers' ESG metrics. The Moody's ESG scoring system is also used in internal reporting on every sovereign and corporate name across the portfolios, allowing the team to execute detailed analysis of each issuer and make investment decisions accordingly. The team monitors the PAI at a fund level and on an intra-fund basis by examining the biggest drivers of the indicators at the sector and security level. This helps with the decision-making process in identifying bonds aligned with MIFL's prioritised PAIs. The funds' PAI exposures are measured at least monthly. Portfolio managers consider ESG and PAI metrics along with other investment, technical, fundamental and valuation factors in the management of their portfolios. The metrics are a valuable source of information from a risk point of view.

Engagement is difficult for a fixed income investor. Voting opportunities are not as readily available for fixed income investors as they are for equity investors, who can utilise proxy voting. However, by investing in labelled bonds that are aligned with the SDGs prioritised by the firm (SDGs 5, 7, 12 and 13), the Investment Team can dedicate capital explicitly towards the integration of ESG considerations. For more detail on the approach taken by the Fixed Income Single Securities team, see section 2 of MIFL's [Responsible Investment Policy](#).

#### 4.4 Engaging on principal adverse impact

##### 4.4.1 PAI and MIFL's chosen Sustainable Development Goals (SDGs)

MIFL uses MSCI ESG Manager to calculate the 18 sustainability indicators across all portfolios for the eighteen PAIs (both mandatory and additional) for each reference period. In addition, MIFL has decided to take action on six PAIs (PAIs 1, 2, 3, 5, 9 and 13). At an entity level, considering the available sustainability data, MIFL has mapped six PAIs based on the long-term investment priorities linked to specific UN SDGs that have been prioritised by the firm (SDG 5 Gender Equality, SDG 7 Affordable and Clean Energy, SDG 12 Responsible Consumption and Production and SDG 13 Climate Action). In 2022, the European Commission also confirmed that PAI could be used as a measure for positive contribution and as such MIFL's aim is to demonstrate long-term improvement through measuring these six mapped PAIs at an entity level on its chosen SDGs.

#### 4.5 Data Sources

MIFL's Investment team uses the MSCI ESG Manager to generate monthly reports to monitor the 18 PAIs over time. Any data relating to changes in PAIs will be shared with MIFL's sub-investment group where ESG exists as a standing agenda item. Minutes will be written and validated by the chairman and distributed to the Investment Committee on an annual basis. For any PAI trending negatively, a plan of engagement will be set in place to engage with the relevant companies or asset managers. MIFL has also developed an interactive proprietary platform to monitor its six chosen PAIs that MIFL aim to take action on at an entity level. By monitoring these reports over time, MIFL hopes to see improvements in scores. MIFL aims to contribute to this improvement through engagement with managers or companies to encourage their contribution to the PAIs, and to deliver impact across its prioritised SDGs.

#### 4.5.1 Data Challenges relating to PAI indicators

Data on the negative effects of MIFL's investments are provided by the established international provider MSCI ESG Manager, the data provider selected by MIFL. With reference to the available data, MIFL monitors the PAI indicators monthly.

Despite the continuous improvement and refinement that calculation methodologies are going through, the quality and availability of data still shows room for improvement. Data quality and availability can be inadequate, especially in the small companies and emerging markets landscape.



## 5. Engagement policies

MIFL is of the view that one of the more powerful tools it has is its engagement with third-party asset managers, given the significant weight of AUM which MIFL outsource. MIFL believes that using this can help to push forward the ESG and sustainable investment agenda across the broader industry.

### 5.1 Engagement with Multi-Manager Funds

MIFL mainly follows a multi-manager approach (“multi-manager”) where it appoints third-party asset managers to manage part of the funds. MIFL selects and oversees each third-party asset manager who is allocated a portion of the MIFL fund to manage. For such funds, MIFL will undertake indirect engagement with companies on relevant ESG issues via third-party asset managers, targeting a focused list of “improver” third-party asset managers in a structured objective process: 1. Improve environmental disclosures; 2. Engage with third-party asset managers on our six prioritised PAIs; and 3. Monitor progress on a periodic basis. This is done through the MIFL ESG Engagement Questionnaire which looks at a range of ESG assessments.

## 5.2 Single Securities Team Engagement

Starting in 2024, MIFL Single Securities team partnered with Glass Lewis' Stewardship Team to expand its engagement program. Working collaboratively with Glass Lewis, MIFL now engages with 52 companies it chose based on a framework for its chosen 6 PAI. Individual profiles for each company were created containing detailed information about companies' sustainability characteristics and underlying metrics to guide and maximise the engagement dialog. For more detailed information, see [MIFL's Responsible Investment Policy](#).

## 5.3 Proxy Voting

Additionally, MIFL supports its engagement activity through proxy voting. For active ownership (part of the portfolio which consists of securities), voting will be carried out with Glass Lewis as the appointed proxy agent. MIFL maintain its own Proxy Voting Policy to be implemented across mandates and directly managed strategies. Through its voting, over time, MIFL wants to be able to improve the environmental profiles of the portfolios. In 2021, MIFL customised its Proxy Voting Policy, to align voting activity with core UN SDGs related to climate oversight and disclosure (SDG 7 Affordable and Clean Energy, SDG 12 Responsible Consumption and Production and SDG 13 Climate Action), that seek to promote best practice with respect to a company's climate-related initiatives and policies. In 2023, MIFL updated its policy to ensure its voting is also aligned to consider voting across SDG 5 Gender Equality and PAI 13 Board Gender Diversity.

#### 5.4 Shareholder Engagement Policy

MIFL has also adopted a Shareholder Engagement Policy as required under the Shareholder Rights Directive II (SRD II) which outlines its approach to voting and engaging in underlying investee companies. The Shareholder Engagement Policy mirrors the approach outlined in the Proxy Voting Policy and outlines how MIFL ensures shareholder engagement is integrated into the investment strategy. It also outlines how MIFL monitors investee companies on strategy, financial and non-financial performance, risk, capital structure, social and environmental impact and corporate governance. How MIFL manages actual and potential conflicts of interest in respect of their engagement and cooperation with other shareholders and other stakeholders of the investee companies is also included within the policy.

#### 5.5 Adaption of the policies

Every reporting period, MIFL will conduct a review whether there is a reduction of the principal adverse impacts. When there is insufficient progress, the engagement policies described above will be adapted in terms of the selection of engagement themes, selection of companies for engagement and/or voting, as well as the process during engagements including escalation strategy and objectives setting. In addition, MIFL will monitor and review the principal adverse impact of its funds' holdings, on an annual basis and adapt targets and measures to mitigate impact as required.



## 6. References to international standards

MIFL believes that ongoing adherence to and the development of strong responsible investment standards, regulations and frameworks, are fundamental to our commitment to embedding sustainability. The basis for our approach to Responsible Investment is grounded on the United Nations 6 Principles for institutional managers which seeks to contribute toward a more sustainable global financial system.

In addition, MIFL is committed to and supports the objectives of all 17 United Nations Sustainable Development Goals (SDGs). In 2020, to help focus our responsible investment ambitions, MIFL decided to prioritise three environmental-oriented SDG 7 - Affordable and Clean Energy, SDG 12 - Responsible Consumption and Production and SDG 13 - Climate Action; to assess our assets under management, with an aim to seek improvement in the long term. In 2023, in recognition of its engagements on PAI 13 Board Gender Diversity, MIFL formalised its prioritisation of SDG 5 Gender Equality in its update of its Responsible Investment policy, as an additional prioritised SDG.

### 6.1 United Nations Principles for Responsible Investment

MIFL has been a signatory to the United Nations Principles for Responsible Investment (“UNPRI”) since February 2023 and completed its first public assessment in 2025. MIFL will complete the mandatory assessment again in 2026.

## 7. Historical comparison

MIFL has continuously monitored the performance of PAI indicators since December 2021. The historical analysis covering the four years of data collection indicates a progressive increase in both the proportion of analysable instruments and the extent of underlying data coverage. It also shows a gradual stabilisation in the data collection methodologies adopted by the data provider, thereby supporting a more accurate representation for many of the indicators. In 2025, half of all indicators improved compared with 2024. Over the longer term, 40% of indicators improved compared with 2023, while more than half improved compared with 2022.

### Comparison 2025 - 2024

The comparison with 2024 shows an overall stable trend for most indicators relating to corporate issuers, while an improvement is evident for those relating to sovereign issuers and supranational bodies (PAI 15 and PAI 16).

Only one of MIFL's six chosen PAIs improved in 2025 compared with 2024, representing a weaker outcome than in the previous year, when five of the six chosen PAIs improved relative to 2023. The increase in GHG emissions in absolute terms was primarily driven by growth in assets under management. The rise in PAI 2, Carbon Footprint was negligible at 0.83%, increasing from 365.12 tCO<sub>2</sub>/€m invested in 2024 to 368.14 tCO<sub>2</sub>/€m in 2025. For PAI 3, GHG Intensity of Investee Companies, the 2.29% increase was mainly attributable to changes in portfolio composition, particularly where new investments had higher emissions than the positions that were divested. PAI 5, Share of Non-Renewable Energy Consumption and Production, was the only one of the six chosen indicators to show a slight relative improvement, declining by 1.39% compared with 2024. PAI 9, Hazardous Waste Ratio increased by 25.85%, rising from 1.66 t/€m invested in 2024 to 2.08 t/€m invested in 2025. This increase was mainly driven by allocation decisions made by delegate managers. PAI 13, Board Gender Diversity, remained broadly stable, recording a slight year-on-year deterioration of 0.73%.



It should also be noted that approximately 57% of the indicators recorded changes of within 2% compared with 2024. The following additional observations are also relevant:

- PAI 6, Energy Consumption Intensity per High Impact Climate Sector: the portfolio's exposure to these nine sectors is relatively limited, representing approximately 35% of total investments. As a result, even small movements can give rise to apparently significant percentage changes.
- PAI 8, Emissions to Water: given the low level of data coverage across the underlying securities, the reported value may not be fully representative of the portfolio.
- PAI 14, Exposure to Controversial Weapons, remained low. In line with Italian Law 220/2021, MIFL excludes companies involved in the production of anti-personnel mines, cluster munitions and submunitions.
- PAI 15, GHG Intensity of Investee Countries, improved mainly due to the progressive reduction in per capita emissions among the countries with the largest representation in the portfolios.
- PAI 16, Investee Countries Subject to Social Violations, improved over the year as a result of management actions that reduced the portfolio's exposure to countries subject to European Union sanctions.

With regard to the PAI indicators related to greenhouse gas emissions, MIFL has introduced specific indicators within its Strategic Plan 2024-2026 to monitor climate-related impacts in investments and to support the definition of GHG-related targets. In addition, in 2025 MIFL implemented a carbon reduction initiative across a subset of its assets, establishing a glidepath that targets a 70% reduction in Carbon Footprint (Scopes 1 and 2) by 2050, using 2022 as the base year. Interim targets of a 30% reduction by 2030 and a 45% reduction by 2040 have also been set relative to that base year.

### Comparison 2025 - 2023

Compared with 2023, the 2025 results show a positive trend, with an improvement seen in 40% of all indicators and in three of MIFL's six chosen PAIs. However, comparability over time is limited for certain indicators—namely PAI 5, PAI 6, PAI 9, PAI 12 and additional PAI 4—due to methodological changes in the collection of the underlying data introduced during 2023.

### Comparison 2025 - 2022

Compared with 2022, the 2025 results show that approximately 53% of all indicators improved, including four of MIFL's six chosen PAIs. However, as 2022 marked the first year of the regulation's application, several indicators still had limited underlying data coverage, notably PAI 9, PAI 12 and PAI 15. In addition, for certain indicators, including PAI 7 and PAI 11, the data provider subsequently revised the methodologies used to collect sustainability data published by investee issuers, which reduces comparability across periods. Finally, it should be noted that the water emissions indicator (PAI 8) continues to have low coverage, with data available for less than 15% of the corporate issuers held in the portfolio.

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