



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 2024 to 31 December 2024.

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. of the 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 2024 to 31 December 2024. 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 One 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.

Table 1

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Adverse sustainability indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse Gas Emissions					
1. GHG Emissions	Scope 1 GHG Emissions – measured in tonnes of CO2 equivalent	1,939,525.91	1,874,655.24	<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 One) and does not perform estimation activities. Data coverage level: 96.41%. Data estimated by the data provider: 8.83%.</p>	<p>Note: The increase in the absolute value of GHG emissions was mainly due to the growth in assets under management. The reduction in carbon footprint and emission intensity is mainly due to changes in investment portfolios and improvements in the emission data of the underlying companies.</p> <p>ACTIONS TAKEN</p> <p>During the reference period, MIFL has continuously monitored the performance of these indicators and the following actions were taken::</p> <p>MIFL Responsible Investment (RI) Policy</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 & 3.</p> <p>Engagement: In 2024, the MIFL Multi-Manager team engaged with the managers of the I2I strategies held in those funds classified as Article 6 under the SFDR, on MIFLs prioritised SDGs and chosen PAIs.</p> <p>In 2024, the MIFL Single Securities team in conjunction with Glass Lewis, began a direct engagement project with 50 target companies held across their portfolios. From the total engagement universe of 50 companies, 22 companies were selected and engaged for PAI 1, 2, and 3. Seventeen companies responded to the outreach and seven of them have shown progress against the objectives identified.</p>
	Scope 2 GHG Emissions – measured in tonnes of CO2 equivalent	425,392.93	421,651.36	<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 One) and does not perform estimation activities. Data coverage level: 96.41%. Data estimated by the data provider: 10.89%</p>	
	Scope 3 GHG Emissions – measured in tonnes of CO2 equivalent	13,490,544.08	13,290,226.97	<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 One) and does not perform estimation activities. Data coverage level: 96.42%. Data estimated by the data provider: 96.42%.</p>	

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Adverse sustainability indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse Gas Emissions					
1. GHG Emissions	Total GHG Emissions – measured in tonnes of CO ₂ equivalent	15,837,539.81	15,586,533.57	<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 One) and does not perform estimation activities. Data coverage level: 96.39%. Data estimated by the data provider: 96.39%.</p>	<p>Proxy Voting: In 2021 MIFL created a custom voting policy to align its voting with core UN Sustainable Development Goals (SDGs). Throughout 2024, 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. MIFL voted Against 115 directors at 27 companies for failure to adopt GHG emissions targets, 32 directors for insufficient oversight of GHG emissions targets, and 34 directors for insufficient oversight of sustainability issues, 29 directors at 29 companies for failure to adopt net zero targets, 485 directors at 51 companies for failure on the reporting to the Sustainability Accounting Standards Board (SASB) and approximately 262 compensation plans where there was a failure to incentives the mitigation of climate and environmental 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 2024 and strongly aligned with the objectives of SDG 13 – Climate Action. For more information, see MIFL's Proxy Voting Summary 2024.</p>
2. Carbon Footprint	Carbon Footprint – measured in tonnes of CO ₂ equivalent per million EUR invested	365.12	418.80	<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 One) and does not perform estimation activities. Data coverage level: 96.39%. Data estimated by the data provider: 96.39%.</p>	

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CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse Gas Emissions					
3. GHG intensity of investee companies	GHG intensity of investee companies - measured in tonnes of CO ₂ equivalent per million EUR of revenue	848.98	860.43	<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 One) and does not perform estimation activities. Data coverage level: 96.63%. Data estimated by the data provider: 96.63%.</p>	<p>ACTIONS PLANNED</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. MIFL plans continued dialogue with the investee companies included in its Single Securities engagement project with Glass Lewis, with a staggered outreach scheduled for the second half of 2025. 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, aimed at addressing climate change within investments, with the goal of defining objectives related to GHG emissions.</p> <p>MIFL is developing a carbon reduction initiative which it intends to apply to a subset of its assets by year end 2025. The details of this project are not yet finalised at the time of this report.</p>
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	7.67%	10.37%	<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 One) and does not perform estimation activities. Data coverage level: 96.46%. Data estimated by the data provider: 0.00%.</p>	<p>Note: this indicator improved mainly due to a rebalancing of underlying positions and the exit from some fossil fuel stocks.</p> <p>ACTIONS TAKEN</p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator and the following actions were taken:</p> <p>Proxy Voting Policy In 2024, MIFL voted in line with its proxy voting policy for a variety of shareholder proposals (SHP) including for example, voting in favour of a SHP that required a financial institution to streamline its climate policy for fossil fuel companies in order to achieve a more consistent fossil fuel position and to exclude credit bonds in oil and gas exploration and production companies which would expand their fossil fuel production, contrary to the International Energy Agency's Net Zero Scenario.</p> <p>ACTIONS PLANNED</p> <p>MIFL will continue to monitor the performance of this indicator and will investigate any negative trend.</p>

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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	62.88%	64.93%	<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 One) and does not perform estimation activities. Data coverage level: 95.54%. Data estimated by the data provider: 21.20%.</p> <p>During the reference period, calendar year 2024, to enhance the data coverage of this indicator, MSCI included not only the information disclosed by the investee companies but also estimated data. Therefore, the 2024 value cannot be directly compared with the values from the previous years.</p>	<p>ACTIONS TAKEN</p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator and the following actions were taken:</p> <p>MIFL Responsible Investment Policy: 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>Engagement: In 2024, the MIFL Multi-Manager team engaged with the managers of the I2I strategies held in those funds classified as Article 6 under the SFDR, on MIFLs prioritised SDGs and chosen PAIs.</p> <p>In 2024, the MIFL Single Securities team in conjunction with Glass Lewis, began a direct engagement project with 50 target companies held in MIFL portfolios, fourteen of which were selected and engaged for PAI 5. Twelve companies responded to the outreach and six of those have shown progress against the objectives identified.</p> <p>Proxy Voting: In 2024, 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. The proposals which MIFL supported through its proxy policy were approved. Clean-energy-to-fossil-fuel financing ratios have emerged as a key metric for assessing progress in financing the clean energy transition.</p>
					<p>ACTIONS PLANNED</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 for the second half of 2025. 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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CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse Gas Emissions					
6. Energy consumption intensity per high impact climate sector	NACE Code A (Agriculture, Forestry and Fishing)	0.26	0.43	<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 One) and does not perform estimation activities. Data coverage level: 96.21%. Data estimated by the data provider: 13.67%.</p> <p>During the reference period, calendar year 2024, to enhance the data coverage of this indicator, MSCI included not only the information disclosed by the investee companies but also estimated data. Therefore, the 2024 value cannot be directly compared with the values from the previous years.</p>	<p>ACTIONS TAKEN</p> <p>During the reference period, MIFL has continuously monitored the performance of these indicators.</p> <p>ACTIONS PLANNED</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)	1.55	0.96		
	NACE Code C (Manufacturing)	1.52	0.79		
	NACE Code D (Electricity, Gas, Steam and Air Conditioning Supply)	5.19	3.54		
	NACE Code E (Water Supply; Sewerage, Waste Management and Remediation Activities)	0.76	0.93		
	NACE Code F (Construction)	0.16	0.29		
	NACE Code G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles)	0.28	0.15		
	NACE Code H (Transportation and Storage)	1.58	1.65		
	NACE Code L (Real Estate Activities)	0.39	0.36		

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CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Biodiversity					
7. Activities negatively affecting biodiversity-sensitive areas	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.	8.45%	9.86%	<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 One) and does not perform estimation activities. Data coverage level: 95.99%. Data estimated by the data provider: 95.99%.</p>	<p>ACTIONS TAKEN</p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator.</p> <p>ACTIONS PLANNED</p> <p>MIFL will continue to monitor the performance of this indicator and will investigate any negative trends.</p>

Table 1

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Adverse sustainability indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Water					
8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.06	0.36	<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 One) and does not perform estimation activities. Data coverage level: 2.02%. 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>ACTIONS TAKEN</p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator and the following actions were taken:</p> <p>Proxy Voting: In 2024, MIFL voted in line with its proxy voting policy on a variety of shareholder proposals including proposals regarding water risk exposure. For example, MIFL supported a shareholder proposal that was approved for the company's Board of Directors to commission an independent third-party audit to assess the environmental water impacts of planned and current operations of its mines. Input from stakeholders, including local civil society organizations and affected community members, were to be considered in determining the specific scope and guidelines for the assessment. A report on the audit, had to be published on the company's website within 12 months with an interim progress report by close of the fourth quarter of 2024.</p>

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Adverse sustainability indicator	Metric	Impact 2024	Impact 2023	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	1.66	6.08	<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 One) and does not perform estimation activities. Data coverage level: 95.66%. Data estimated by the data provider: 51.77%.</p> <p>During the reference period, calendar year 2024, to enhance the data coverage of this indicator, MSCI included not only the information disclosed by the investee companies but also estimated data. Therefore, the 2024 value cannot be directly compared with the values from the previous years.</p>	<p>ACTIONS TAKEN</p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator and the following actions were taken:</p> <p>MIFL Responsible Investment Policy: 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>Engagement: In 2024, the MIFL Multi-Manager team engaged with the managers of the 121 strategies held in those funds classified as Article 6 under the SFDR, on MIFLs prioritised SDGs and chosen PAIs.</p> <p>In 2024, the MIFL Single Securities team in conjunction with Glass Lewis, began a direct engagement project with 50 target companies held across their portfolios with fourteen companies selected and engaged for PAI 9. Eleven companies responded to the outreach and of these, eight have shown progress against the objectives identified.</p> <p>Proxy Voting: MIFL has tailored its voting policy in line with its climate-oriented SDGs.</p> <p>ACTIONS PLANNED</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 for the second half of 2025. 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 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Social and employee matters					
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.36%	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 One) and does not perform estimation activities. Data coverage level: 96.80%. Data estimated by the data provider: 96.80%.</p>	<p>ACTIONS TAKEN</p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator.</p> <p>Proxy Voting: In 2024, MIFL voted in line with its proxy voting policy on a variety of shareholder proposals (SHPs) including for example the following SHPs which MIFL voted in favour of and for which the proposal was approved:</p> <ul style="list-style-type: none"> • A SHP requiring the company to commission an independent third-party audit assessing the effectiveness of its policies and practices to prevent illegal child labour, specifically in light in of reports of child labour in the Company's supply chain. • A SHP that required The Board of Directors of a company to continue to develop their reporting on the company's efforts to respect human rights and labour rights as well as its due diligence processes in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs), and in alignment with the Corporate Sustainability Reporting Directive (CSRD). <p>ACTIONS PLANNED</p> <p>MIFL will continue to monitor the performance of the indicator and will investigate any negative trends.</p>

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Adverse sustainability indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and action planned, and targets set for the next reference period
SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Social and employee matters					
II. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	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	0.75%	11.81% 1.15%	<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 One) and does not perform estimation activities. Data coverage level: 96.54%. Data estimated by the data provider: 0.00%.</p>	<p>ACTIONS TAKEN</p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator.</p> <p>Proxy Voting: In 2024, MIFL voted in line with its proxy voting policy on a variety of shareholder proposals including for example, MIFL supported a shareholder proposal that was approved which required the company to report on how its risk management systems ensure effective implementation of its human rights statement including a description of human rights due diligence processes in place to embed respect for human rights into operations and to provide access to remedy for human rights impacts connected to financing relationships; and Indicators used to assess effectiveness.</p> <p>ACTIONS PLANNED</p> <p>MIFL will continue to monitor the performance of the indicator and will investigate any negative trends.</p>

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SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Social and employee matters					
12. Unadjusted gender pay gap	Average unadjusted gender pay-gap of investee companies – expressed as a percentage	13.88%	11.81%	<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 One) and does not perform estimation activities. Data coverage level: 84.75%. Data estimated by the data provider: 52.34%.</p> <p>During the reference period, calendar year 2024, to enhance the data coverage of this indicator, MSCI included not only the information disclosed by the investee companies but also estimated data. Therefore, the 2024 value cannot be directly compared with the values from the previous years.</p>	<p>ACTIONS TAKEN</p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator.</p> <p>ACTIONS PLANNED</p> <p>MIFL will continue to monitor the performance of the indicator and will investigate any negative trends.</p>

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SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Social and employee matters					
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	34.53%	33.86%	<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 One) and does not perform estimation activities. Data coverage level: 95.57%. Data estimated by the data provider: 0.00%</p>	<p>ACTIONS TAKEN</p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator and the following actions were taken:</p> <p>MIFL Responsible Investment Policy: 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>MIFL Responsible Investment Policy: The MIFL Investment team has prioritised the monitoring of the social SDG 5 to which this PAI is mapped, and it engages with underlying managers or investee companies, with the aim of delivering change over time.</p> <p>Engagement: In 2024, the MIFL Multi-Manager team engaged with the managers of the I2I strategies held in those funds classified as Article 6 under the SFDR, on MIFLs prioritised SDGs and chosen PAIs.</p> <p>In 2024, the MIFL Single Securities team in conjunction with Glass Lewis, began a direct engagement project with 50 target companies held across their portfolios on topics directly linked to PAI I3 Board Gender Diversity. Ten companies responded to the outreach and seven of those have shown progress against the objectives identified.</p> <p>Proxy Voting: During 2024 voting season, MIFL updated its policy on Board Gender Diversity as follows: At large and mid-cap companies, vote against the nominating and/or governance committee when there is less than 30% female representation on the board of directors (except markets with a higher market best practice). At small cap companies, vote AGAINST the male members of the nominating and/or governance committee when there is not at least one woman serving on the board.</p> <p>This proxy policy resulted in a vote against 646 directors at 293 companies.</p>

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SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Social and employee matters					
					<p>ACTIONS PLANNED</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 for the second half of 2025. 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>

Table 1

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Adverse sustainability indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Social and employee matters					
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.02%	0.03%	<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 One) and does not perform estimation activities. Data coverage level: 96.56%. Data estimated by the data provider: 0.00%.</p>	<p>Exclusions Policy: 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.</p> <p>MIFL will continue to monitor and execute the implementation of this policy.</p>

Table 1

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Adverse sustainability indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
ENVIRONMENTAL AND SOCIAL INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS					
Environmental					
15. GHG Intensity	GHG intensity of investee countries – measured in Tonnes of CO ₂ equivalent per million EUR of GDP	216.37	254.61	<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 One) and does not perform estimation activities.</p> <p>Data coverage level: 97.63%. Data estimated by the data provider: 0.00%.</p>	<p>Note: The GHG intensity indicator has decreased due to investments in countries with lower average intensities or which have seen a reduction in their per capita emissions.</p> <p>ACTIONS TAKEN</p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator.</p> <p>ACTIONS PLANNED</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 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
ENVIRONMENTAL AND SOCIAL INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS					
Social					
16. Investee countries subject to social violations	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	7.75	7.00	<p>The portfolio's number of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports.</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI One) and does not perform estimation activities. Data coverage level: 97.63%. Data estimated by the data provider: 0.00%.</p>	<p>Note: The value of the indicator did not experience significant changes during the period from January 1 to December 31, 2024, despite the increase in the number of countries sanctioned by the European Union and the geographical diversification present in the investment portfolios.</p> <p>ACTIONS TAKEN</p> <p>During the reference period, MIFL has continuously monitored the performance of these indicators.</p> <p>ACTIONS PLANNED</p> <p>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	6.89%	6.09%	<p>The portfolio's percentage of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports.</p> <p>To calculate the indicator, MIFL uses data provided by a specialised data provider (MSCI One) and does not perform estimation activities. Data coverage level: 97.63%. Data estimated by the data provider: 0.00%.</p>	

Table 1

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Adverse sustainability indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS ¹					
Fossil Fuels					
17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	The portfolio's weighted average of sovereign issuers' GHG Emissions Intensity (Scope 1, 2 and 3 emissions/EUR M GDP).	

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES					
Adverse sustainability indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS ¹					
Energy Efficiency					
18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	The portfolio's weighted average of sovereign issuers' GHG Emissions Intensity (Scope 1, 2 and 3 emissions/EUR M GDP).	

¹PAI 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 2024	Impact 2023	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	42.64%	27.37%	<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 One) and does not perform estimation activities. Data coverage level: 96.02%. Data estimated by the data provider: 96.02%.</p> <p>During the reference period, calendar year 2024, to enhance the data coverage of this indicator, MSCI included not only the information disclosed by the investee companies but also estimated data. Therefore, the 2024 value cannot be directly compared with the values from the previous years.</p>	<p>ACTIONS TAKEN</p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator.</p> <p>ACTIONS PLANNED</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 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
ADDITIONAL SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Human rights					
9. Lack of a human rights policy	Share of investments in entities without a human rights policy	5.96%	8.33%	<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 One) and does not perform estimation activities. Data coverage level: 96.54%. Data estimated by the data provider: 0.00%.</p>	<p>ACTIONS TAKEN</p> <p>During the reference period, MIFL has continuously monitored the performance of this indicator and the following actions were taken:</p> <p>MIFL's Proprietary ESG Rating for Multi-Manager Investments: 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>MIFL's Proxy Voting Policy: MIFL's Customer 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>Proxy Voting 2024: In 2024, MIFL voted in line with its proxy voting policy on a variety of shareholder proposals including a variety of proposals regarding diversity and inclusion, human rights impact assessment and report on human rights.</p>
					<p>ACTIONS PLANNED</p> <p>MIFL will continue to monitor the performance of this indicator and will investigate any negative trends.</p> <p>MIFL has updated its ESG Questionnaire in 2025 to include the Human Rights considerations for all its future Article 6 strategies.</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 2024 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 2024 and the MIFL Policy on Sustainability 2025 in April 2025. Both policies are reviewed by the Board at least annually.

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 I 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.

4.2.1 ESG framework - Internal portfolio management by MIFL

MIFL’s Internal Portfolio Management (“Single Securities”) team does not currently manage ESG-specific, exclusionary or impact funds, but takes a number of measures to ensure its process integrates ESG criteria throughout MIFL’s stock selection and portfolio construction process. The Single Securities framework, like the multi-manager approach, will focus on SDGs 5, 7, 12 and 13 using the prioritised PAI chosen. This underpins MIFL’s engagement with companies, reinforcing its commitment to focus on issues such as climate change and green energy in line with the Mediolanum Group principles, along with other ESG issues and PAI metrics. The net result of this should be of benefit to society: reduced carbon emissions and better waste management mean less pollution and a healthier environment. In addition, better labour standards and awareness of human rights, benefits employees, customers and the supply chain alike; and improved controls at a governance level help instil confidence in management and avoid the costs associated with corruption and litigation.

For more detail on the approach taken by the Fundamental Equities and Quantitative Equities teams, see section 2 of [MIFL’s Responsible Investment Policy](#).

4.2.2 ESG framework – Fixed income

In line with MIFL's Responsible Investment Policy, the Fixed Income Single Securities Team incorporate PAI considerations into the investment process through a combination of ESG integration and engagement.

The team monitors the PAI metrics of the funds on a regular basis, including the metrics in the monthly Sub-Investment Group meeting. The team monitors the PAI levels at a fund level and intra-fund basis, by examining the biggest drivers of the metrics at a sector and security level. This data 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](#).

4.3 Engaging on principal adverse impact

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

MIFL uses MSCI One 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.

4.4 Data Sources

MIFL's Investment team uses the MSCI One SFDR module 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 aims 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.

4.4.1 Data Challenges relating to PAI indicators

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

During the reference period, calendar year 2024, to enhance the data coverage of the indicators PAI 5, 6, 9 and 12, MSCI included not only the information disclosed by the investee companies but also estimated data. Therefore, the 2024 value cannot be directly compared with the values from the previous years.

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 Engagement with Multi-Manager Funds

Starting in 2024, MIFL Single Securities team partnered with Glass Lewis’ Stewardship Team to expand its engagement program. Working collaboratively with Glass Lewis, MIFL chose 50 companies to engage with 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 maximize 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 I3 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 I3 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 will complete its first public assessment in 2025.

7. Historical comparison

MIFL has continuously monitored the performance of PAI indicators since December 2021. An improvement was seen in more than half of the indicators in 2024 compared to 2023 and in circa two-thirds of the indicators, when compared with those from 2022.

Comparison 2024 - 2023

The comparison with the 2023 period highlights a further general increase in the coverage percentages for many of the indicators, due to a refinement of the data collection and a greater availability of information from the data provider.

An improvement was seen in five of six of MIFL's prioritised PAI in 2024 compared to 2023, although the data provider changed its approach in 2024 across two of the indicators, so these values are not directly comparable:

The increase in absolute value of PAI 1 GHG Emissions was mainly due to the growth in assets under management. The reduction in carbon footprint (PAI 2) and emission intensity (PAI 2) indicators is mainly due to changes in the investment portfolios and improvements in the emission data of the underlying companies.

For PAI 5 Share of non-renewable energy consumption and production and PAI 9 Hazardous Waste Ratio, during the reference period, calendar year 2024, to enhance the data coverage of this indicator, MSCI included not only the information disclosed by the investee companies but also estimated data. Therefore, the 2024 value cannot be directly compared with the values from the previous years.

PAI 13 Board Gender Diversity remained stable with a slight improvement.

In addition, the following observations have been noted:

- PAI 4 – Exposure to companies active in the fossil fuel sector – which was mainly due to a rebalancing of underlying positions and the exit from some fossil fuel stocks.
- PAI 8 – Emissions to Water – 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.
- PAI 14 Exposure to Controversial Weapons remained low. In compliance with Italian law 220/2021, MIFL excludes companies producing anti-personnel mines, cluster munitions and submunitions from its investments.

- PAI 15 - GHG Intensity is due to investments in countries with lower average intensities or which have seen a reduction in their emissions per capita.
- PAI 9 Table 3 - Lack of a human rights policy - is mainly due to an improvement in the values of the underlying companies.

Regarding the PAI indicators relating to “Greenhouse gas emissions”, MIFL has introduced specific indicators in the “Strategic Plan 2024-2026” aimed at monitoring climate change in investments, with the aim of defining any targets relating to GHG emissions. In addition, MIFL is developing a carbon reduction initiative which it intends to apply to a subset of its assets by year end 2025. The details of this project are not yet finalised at the time of this report.

Comparison 2024 - 2022

The comparison with 2022 shows a positive trend for the indicators considered priority and a significant general increase in the coverage percentages for many of the indicators and an improvement in all six of MIFL’s prioritised PAI.

In some cases (e.g. PAI 7, PAI 11), the data collection methodology has been significantly modified by the info provider starting from the 2023 period, in order to represent the indicators more adequately, making the values of the different periods not comparable. Similarly, the values of the PAI 9, 12 and 15 indicators are not comparable due to a significant change in the percentage of data coverage that occurred in this period.

Finally, the credibility of the values of the PAI 8 indicator is in question due to the low data coverage percentage.

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