



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

Date: 30.06.26



Financial market participant: Mediolanum International Life dac  
Legal Entity Identifier: 635400C7L8C5RGY8VK8I





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## 1. Summary

This Principal Adverse Impact (“PAI”) Statement outlines how Mediolanum International Life dac (“MIL”) considers principal adverse impacts (“PAIs”) of its investment decisions on sustainability factors on behalf of its Products (“Insurance Product/ internal funds) and their underlying investments. MIL has appointed an Investment Manager to manage the underlying investments of its internal funds. 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 MIL 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”). MIL 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 MIL’s Responsible Investment policy - available [here](#).



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

MIL is aligned with the approach of its appointed investment manager, which 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.

MIL considers it necessary to assess the negative effects on sustainability factors generated through its investment management activities and has therefore adopted safeguards and measures based on data and information currently available. MIL believes that the negative impacts of decisions made on sustainability factors may be mitigated when PAIs are considered as part of the underlying investment process.

This section presents data on the negative impact of MIL'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.

MIL 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).

With reference to the available data, the appointed Investment Manager working with the Banca Mediolanum Markets and Insurance Assets Unit monitors the PAI indicators of the Company's products. As of the date of this statement MSCI ESG Manager is the sole third-party data service provider used in respect of environmental, social and governance data. On this basis, MIL is reliant on the methodology and the data coverage made available by MSCI which may be subject to change.

A look-through calculation across all holdings is carried out every quarter to which data from a single point in time (year-end) for the 18 PAIs (both mandatory and additional PAIs) is applied across all assets.

MIL aligns 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, actions taken were primarily focused on six prioritised PAIs aligned to MIL's 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 by MIL's appointed Investment Manager. The remaining PAIs were subject to ongoing monitoring in line with regulatory requirements."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	72,683.96	110,098.64	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.64%. Data estimated by the data provider: 4.88%.</p>	<p><b>Note:</b> In 2025, MIL closed its Mediolanum Piu funds resulting in a reduction of its assets under management. As these funds generally had higher issuance levels than MIL's average, the closure contributed to a significant reduction in the indicator.</p> <p><b>The following actions are relevant to the underlying investments of MIL's appointed Investment Manager in which MIL Products are invested.</b></p> <p><b>ACTIONS TAKEN</b> During the reference period, the Investment Manager continuously monitored the performance of these indicators, and the following actions were taken:</p> <p><b>The Investment Manager's Responsible Investment (RI) Policy</b> Included in the Investment Manager's RI policy is the prioritisation of 3 Environmental SDGs (7, 12 and 13) to which MIL is aligned, as outlined in MIL's RI Policy. To measure its impact across these 3 SDGs, the Investment Manager has mapped 5 PAI including PAIs 1, 2 &amp; 3.</p> <p><b>The Investment Manager's Carbon Reduction Programme</b> In 2025 the Investment Manager implemented a carbon reduction objective across a subset of its assets. Funds in-scope comprise all its sustainable investment fund range (Article 8 and Article 9 funds) as at July 2025<sup>1</sup>. The Investment Manager 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> It 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>. A number of MIL Products are invested in the funds in scope.</p>
	Scope 2 GHG Emissions – measured in tonnes of CO2 equivalent	15,483.17	19,350.56	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.64%. Data estimated by the data provider: 7.08%.</p>	
	Scope 3 GHG Emissions – measured in tonnes of CO2 equivalent	611,986.62	663,187.94	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.75%. Data estimated by the data provider: 96.75%.</p>	

<sup>1</sup>Funds in-scope comprise all the Investment Manager's sustainable investment fund range (Article 8 and Article 9 funds) as of July 2025. In September 2025, the Investment Manager 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, the Investment Manager will only include Scopes 1 and 2.

<sup>3</sup>The Investment Manager 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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<b>Greenhouse Gas Emissions</b>					
<b>1. GHG Emissions</b>	Total GHG Emissions – measured in tonnes of CO <sub>2</sub> equivalent	704,810.95	792,447.40	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.63%. Data estimated by the data provider: 96.63%.</p>	<p><b>Engagement:</b> Within the Investment Manager's 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. MIL's priority SDGs and chosen PAI including PAI 1, 2 &amp; 3 were part of these engagements.</p> <p>In 2025, the Investment Manager's 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> <p><b>Proxy Voting:</b> In 2021 the Investment Manager created a proxy voting policy to align its voting with its prioritised UN Sustainable Development Goals (SDGs). Throughout 2025, it 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, it 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, the Investment Manager's proxy 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, it 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 style="text-align: center;"><b>ACTIONS PLANNED</b></p> <p>These PAI indicators are considered a priority by both MIL and its appointed Investment Manager. The Investment Manager will continue to monitor their performance and will investigate any negative trend by engaging with the underlying third-party managers to promote improvement over time.</p> <p>The Investment Manager plans continued dialogue with the investee companies included in its Single Securities engagement project with Glass Lewis, with a staggered outreach scheduled throughout 2026. MIL, in alignment with the Investment Manager, 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>
<b>2. Carbon Footprint</b>	Carbon Footprint -measured in tonnes of CO <sub>2</sub> equivalent per million EUR invested	371.68	399.28	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.63%. Data estimated by the data provider: 96.63%.</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	812.97	827.29	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.68%. Data estimated by the data provider: 96.68%.</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	6.24%	7.57%	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.67%. Data estimated by the data provider: 0.00%.</p>	<p><b>The following actions are relevant to the underlying investments of MIL's appointed Investment Manager in which MIL Products are invested.</b></p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, the Investment Manager has continuously monitored the performance of this indicator, and the following actions were taken:</p> <p><b>Proxy Voting Policy</b></p> <p>In 2025, voting was in line with the proxy voting policy for a variety of shareholder proposals (SHP) including for example, voting in favour of a 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><b>ACTIONS PLANNED</b></p> <p>The Investment Manager will continue to monitor the performance of this indicator, including investigating any negative trends and agreeing actions as necessary with MIL.</p>

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<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>					
<b>Greenhouse Gas Emissions</b>					
<b>5. Share of non-renewable energy consumption and production</b>	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	56.58%	60.54%	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.33%. Data estimated by the data provider: 11.48%.</p>	<p><b>Note: The reduction in the share of non-renewable energy consumption is mainly attributable to the updating of the product offering, in particular the liquidation of the Mediolanum Più funds.</b></p> <p><b>The following actions are relevant to the underlying investments of MIL's appointed Investment Manager in which MIL Products are invested.</b></p> <p style="text-align: center;"><b>ACTIONS TAKEN</b></p> <p>During the reference period, the Investment Manager has continuously monitored the performance of this indicator, and the following actions were taken:</p> <p><b>The Manager's Responsible Investment Policy</b> Included in the Manager's RI policy is the prioritisation of 3 Environmental SDGs (7, 12 and 13), which is also aligned with MIL's RI policy. To measure its impact across these 3 SDGs, the Investment Manager has mapped 5 PAI including PAI 5.</p> <p><b>Engagement:</b> In 2025, the Investment Manager's Management Selection team conducted at least biannual engagements with each underlying investment manager, during which ESG considerations formed an integral part of the due diligence process. Both MIL's and the Investment Manager's priority SDGs and chosen PAI, including PAI 5, were part of these engagements.</p> <p>In 2025, the Investment Manager's 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, voting was in line with the Investment Manager's proxy voting policy on a variety of shareholder proposals including for example voting in favour of SHPs for several 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 style="text-align: center;"><b>ACTIONS PLANNED</b></p> <p>This indicator is considered a priority for MIL. The Investment Manager 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>The Investment Manager plans continued dialogue with the investee companies included in its Single Securities engagement project with Glass Lewis, with a staggered outreach scheduled throughout 2026. MIL, aligned with its Investment Manager, 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)	2.32	3.75	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.33%. Data estimated by the data provider: 11.48%.</p>	<p><b>Note:</b> The portfolio's exposure to each of these nine sectors is marginal, representing approximately 35% of investments overall; consequently, even small variations can result in a seemingly significant percentage difference.</p> <p><b>The following actions are relevant to the underlying investments of MIL's appointed Investment Manager in which MIL Products are invested.</b></p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, the Investment Manager continuously monitored the performance of these indicators.</p> <p><b>ACTIONS PLANNED</b></p> <p>The Investment Manager will continue to monitor the performance of this indicator, will investigate any negative trend and will agree actions as necessary with MIL.</p>
	NACE Code B (Mining and Quarrying)	0.99	1.04		
	NACE Code C (Manufacturing)	0.28	0.99		
	NACE Code D (Electricity, Gas, Steam and Air Conditioning Supply)	4.59	4.80		
	NACE Code E (Water Supply; Sewerage, Waste Management and Remediation Activities)	0.56	0.71		
	NACE Code F (Construction)	0.09	0.10		
	NACE Code G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles)	0.22	0.20		
	NACE Code H (Transportation and Storage)	2.06	1.97		
	NACE Code L (Real Estate Activities)	0.32	0.40		

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.	9.93%	8.32%	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.96%. Data estimated by the data provider: 96.49%.</p>	<p><b>The following actions are relevant to the assets of MIL's appointed Investment Manager in which MIL Products are invested.</b></p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, the Investment Manager has continuously monitored the performance of this indicator, and the following actions were taken.</p> <p><b>Proxy Voting:</b> In 2025, the Investment Manager 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>The Investment Manager will continue to monitor the performance of this indicator, will investigate any negative trend and will agree actions as necessary with MIL.</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					
Water					
8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.14	0.16	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 7.16%. 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>The following actions are relevant to the underlying investments of MIL's appointed Investment Manager in which MIL Products are invested.</b></p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, the Investment Manager has continuously monitored the performance of this indicator.</p> <p><b>ACTIONS PLANNED</b></p> <p>The Investment Manager will continue to monitor the performance of this indicator, will investigate any negative trend and will agree actions as necessary with MIL.</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					
Waste					
9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	2.30	1.24	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.36%. Data estimated by the data provider: 54.05%.</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><b>Note:</b> The increase in this indicator is due to allocation choices made by the underlying delegate managers held in the Investment Manager's funds.</p> <p><b>The following actions are relevant to the underlying investments of MIL's appointed Investment Manager in which MIL Products are invested.</b></p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, the Investment Manager has continuously monitored the performance of this indicator and the following actions were taken:</p> <p><b>The Investment Manager's Responsible Investment (RI) Policy:</b> Included in the Manager's RI policy is the prioritisation of 3 Environmental SDGs (7, 12 and 13) to which MIL is aligned, as outlined in the MIL RI Policy. To measure its impact across these 3 SDGs, the Investment Manager has mapped 5 PAIs including PAI 9.</p> <p><b>Engagement:</b> The Investment Manager's 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. MIL's priority SDGs and chosen PAI including PAI 9, were part of these engagements.</p> <p>In 2025, the Investment Manager's 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> The Investment Manager has tailored the customised voting policy in line with the climate-oriented SDGs of the Investment Manager and MIL.</p> <p><b>ACTIONS PLANNED</b></p> <p>This indicator is considered a priority for MIL. The Investment Manager 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>The Investment Manager plans continued dialogue with the investee companies included in its Single Securities engagement project with Glass Lewis, with a staggered outreach scheduled throughout 2026. MIL, aligned with its Investment Manager, 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	0.13%	0.26%	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 97.06%. Data estimated by the data provider: 97.06%.</p>	<p><b>The following actions are relevant to the underlying investments of MIL's appointed Investment Manager in which MIL Products are invested.</b></p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, the Investment Manager has continuously monitored the performance of this indicator.</p> <p><b>ACTIONS PLANNED</b></p> <p>The Investment Manager will continue to monitor the performance of this indicator; will investigate any negative trend and will agree actions as necessary with MIL</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	0.44%	1.46%	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.97%. Data estimated by the data provider: 0.00%.</p>	<p><b>The following actions are relevant to the underlying investments of MIL's appointed Investment Manager in which MIL Products are invested.</b></p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, the Investment Manager has continuously monitored the performance of this indicator.</p> <p><b>ACTIONS PLANNED</b></p> <p>The Investment Manager will continue to monitor the performance of this indicator; will investigate any negative trend and will agree actions as necessary with MIL</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	13.78%	13.57%	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 91.70%. Data estimated by the data provider: 45.47%.</p>	<p><b>The following actions are relevant to the underlying investments of MIL's appointed Investment Manager in which MIL Products are invested.</b></p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, the Investment Manager has continuously monitored the performance of this indicator.</p> <p><b>ACTIONS PLANNED</b></p> <p>The Investment Manager will continue to monitor the performance of this indicator, will investigate any negative trend and will agree actions as necessary with MIL</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>13. Board gender diversity</b>	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	35.26%	34.95%	<p>The portfolio holdings' weighted average of the ratio of female to male board members.</p> <p>To calculate the indicator, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.35%. Data estimated by the data provider: 0.00%.</p>	<p><b>The following actions are relevant to the underlying investments of MIL's appointed Investment Manager in which MIL Products are invested.</b></p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, the Investment Manager has continuously monitored the performance of this indicator and the following actions were taken:</p> <p><b>The Manager's Responsible Investment (RI) Policy:</b> Included in the Manager's RI policy is the prioritisation of one Social SDGs (5) to which MIL is aligned, as outlined in the MIL RI Policy. To measure its impact across this SDG, the Investment Manager has mapped this indicator, PAI I3.</p> <p><b>Engagement:</b> The Investment Manager's 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 Investment Manager's 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> The Investment Manager'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 the Investment Manager's commitment to improving board gender diversity.</p> <p><b>ACTIONS PLANNED</b></p> <p>This indicator is considered a priority by both MIL and its appointed Investment Manager. The Investment Manager will continue to monitor its performance and will investigate any negative trend by engaging with the underlying managers to promote improvement over time and will agree actions as necessary with MIL.</p> <p>The Investment Manager plans continued dialogue with the investee companies included in its Single Securities engagement project with Glass Lewis, with a staggered outreach scheduled throughout 2026. MIL, aligned with its Investment Manager, 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, the Investment Manager has joined the 30% Club Ireland – Investor Group on collaborative engagement in 2026. 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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 97.02%. Data estimated by the data provider: 0.00%.</p>	<p><b>Exclusions Policy:</b> An exclusion policy has been implemented across the Mediolanum Group that applies to both direct investments and any delegated manager or third-party managers. This policy 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, MIL is obliged to comply with this legislation. The objective of the exclusion policy is to prohibit investments in companies involved in the financing or investing, production, use, sale, distribution, import, export, store 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>MIL has in place its own Exclusion Policy that is aligned where applicable with that of its Parent Group.</p> <p>The Investment Manager 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	189.06	239.77	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 99.42%. Data estimated by the data provider: 0.00%.</p>	<p><b>Note:</b> The value of PAI I5 decreased mainly thanks to the progressive reduction in per capita emissions by the country's most present within the portfolios.</p> <p><b>The following actions are relevant to the underlying investments of MIL's appointed Investment Manager in which MIL Products are invested.</b></p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, the Investment Manager has continuously monitored the performance of this indicator.</p> <p><b>ACTIONS PLANNED</b></p> <p>The Investment Manager will continue to monitor the performance of this indicator, will investigate any negative trend and will agree actions as necessary with MIL.</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	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 99.42%. Data estimated by the data provider: 0.00%.</p>	<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>The following actions are relevant to the underlying investments of MIL's appointed Investment Manager in which MIL Products are invested.</b></p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, the Investment Manager has continuously monitored the performance of this indicator.</p> <p><b>ACTIONS PLANNED</b></p> <p>The Investment Manager will continue to monitor the performance of this indicator, will investigate any negative trend and will agree actions as necessary with MIL.</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	5.68%	7.01%	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 99.42%. Data estimated by the data provider: 0.00%.</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>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		<b>(Not applicable given investment universe of the funds and mandates under management.)</b>

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		<b>(Not applicable given investment universe of the funds and mandates under management.)</b>

<sup>4</sup>PAI I7 - Exposure to fossil fuels through real estate assets and PAI I8 - Exposure to energy-inefficient real estate assets were considered to not apply to MIL.

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

In line with (i) the values and priorities expressed by MIL 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, MIL 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. MIL has not currently chosen any more additional indicators.

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	43.66%	41.62%	<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, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.65%. Data estimated by the data provider: 96.65%.</p>	<p><b>The following actions are relevant to the underlying investments of MIL’s appointed Investment Manager in which MIL Products are invested.</b></p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, the Investment Manager has continuously monitored the performance of this indicator.</p> <p><b>ACTIONS PLANNED</b></p> <p>The Investment Manager will continue to monitor the performance of this indicator, will investigate any negative trend and will agree actions as necessary with MIL</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	3.53%	5.92%	<p>The percentage of the portfolio's market value exposed to issuers without a formal human rights policy.</p> <p>To calculate the indicator, MIL uses data provided by a specialised data provider (MSCI ESG Manager) and does not perform estimation activities. Data coverage level: 96.97%. Data estimated by the data provider: 0.00%.</p>	<p><b>Note:</b> The reduction in the indicator is mainly due to the updating of the product offering, in particular the liquidation of the Mediolanum Più funds.</p> <p><b>The following actions are relevant to the underlying investments of MIL's appointed Investment Manager in which MIL Products are invested.</b></p> <p><b>ACTIONS TAKEN</b></p> <p>During the reference period, the Investment Manager has continuously monitored the performance of this indicator and the following actions were taken:</p> <p><b>Investment Manager's Proprietary ESG Rating for Multi-Manager Investments:</b> In 2024 the Investment Manager 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>The Investment Manager's Proxy Voting Policy:</b> The Investment Manager's Proxy Policy, that also applies to MIL, 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>The Investment Manager will continue to monitor the performance of this indicator, will investigate any negative trend and will agree actions as necessary with MIL.</p>

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

The Policy for Products and Responsible Investment sets out the framework by which MIL integrates sustainability risks into its decision-making process and how the PAIs of investment decisions on sustainability factors are considered. The Policy for Products and Responsible Investment was drafted and approved by the Board of Directors of MIL in February 2026 and is reviewed annually.

### 4.1 Governance of policies

The MIL Board has ultimate responsibility for sustainability-related policies. MIL Board last approved its Policy on Sustainability in October 2025. The Policy for Products and Responsible Investment was last updated in February 2026. Both policies are subject to review by the Board each calendar year.

MIL as the Manager oversees the investment management process of its appointed Investment Manager through its governance framework where the monitoring conducted by MIL is to ensure that the appointed Investment Manager to the funds has sufficient processes in place (including within the area of responsible investment). The Investment Manager has implemented its own Responsible Investment Policy, which is in line with the MIL Products and Responsible Investment Policy.



## 4.2 Methodologies used for selecting PAI indicators

MIL's approach to monitoring 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.

MIL 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, MIL has selected two additional indicators, one environmental and one social as outlined under section 3 above. MIL's approach to selection of the additional voluntary indicators (one climate and one social) is in line with the approach of Investment Manager and the wider Mediolanum Group, in assessing the potential list based on MSCI coverage. This narrowed the selection from 22 to 6 climate indicators and from 24 to 20 social indicators. Under guidance from the Investment Managers ESG team, the selection was reviewed, and they made a recommendation to the MIL 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. MIL 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 MIL Board of Directors.

MIL prioritises 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) with the aim of seeking improvement in the long term. This approach is aligned with that of its appointed Investment Manager. The Investment Manager has tailored its Proxy Voting policy in line with these 4 SDGs and engages with third-party Delegate Managers on the 6 PAIs mapped to those SDGs.

MIL aims to manage the risk connected to potential adverse sustainability impacts from its Products by monitoring and evaluating the range of PAIs outlined under sections 2 and 3 above. MIL monitors the look-through calculation completed each quarter for the 18 PAIs (both mandatory and additional PAIs), across all MIL products. The Investment Manager working with the Allocation Monitoring and Analysis Department of Banca Mediolanum S.p.A., monitor the PAI indicators of the Company's products using the information provided by the MSCI "ESG Manager" and provide this information to the MIL product committee for its review and oversight. The Investment Manager takes its chosen 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.

### 4.3 MIL's Monitoring of PAIs

As outlined in [MIL's Policy for Products and Responsible Investment](#), MIL has prioritised 4 SDGs - SDG 5 Gender Equality, SDG 7 Affordable and Clean Energy, SDG 12 Responsible Consumption and Production and SDG 13 Climate Action. It is important to MIL to measure its impact on these prioritised SDGs.

#### 4.3.1 PAI and MIL's prioritised Sustainable Development Goals (SDGs)

MIL's appointed Investment Manager, working with the Banca Mediolanum Markets and Insurance Assets Unit, uses MSCI ESG Manager to calculate the sustainability indicators across all portfolios for the eighteen PAIs (both mandatory and additional) for each reference period. Aligned with the approach of its appointed Investment Manager, to measure the impact across the Firm's four prioritised SDGs at an entity level, considering the available sustainability data, 6 PAIs have been chosen or mapped to measure the impact on the four prioritised SDGs. In 2022, the European Commission also confirmed that PAI could be used as a measure for positive contribution and as such MIL's aim is to demonstrate long-term improvement through measuring these six chosen PAIs at an entity level on its chosen SDGs.

#### 4.4 Data Sources

Both the Banca Mediolanum Markets and Insurance Assets Unit and the Investment Manager use MSCI ESG Manager SFDR module to generate monthly reports to monitor the 18 PAIs over time. Any data relating to changes in PAIs will be shared with MIL. For any PAI trending negatively, a plan of engagement will be set in place to engage with the relevant companies or asset managers. The Investment Manager has also developed an interactive proprietary platform to monitor its six chosen PAIs that the Investment Manager aims to take action on at an entity level. By monitoring these reports over time, MIL hopes to see improvements in scores via the engagement of its Investment Manager with underlying managers or companies to encourage their contribution to the PAIs, and to deliver impact across its chosen SDGs.

##### 4.4.1 Data Challenges relating to PAI indicators

Data on the negative effects of MILs investments are provided by the established international provider MSCI ESG Manager, the data provider selected by MIL. With reference to the available data, the PAI indicators are monitored 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

MIL has reviewed and is aligned with its appointed Investment Manager's Shareholder engagement and Proxy Voting policies.

MIL is of the view that given the significant weight of AUM involved, the Investment Manager's engagement with third-party asset managers is a powerful tool which MIL believes that using this can help to push forward the ESG and sustainable investment agenda across the broader financial services industry.

The Investment Manager follows a multi-stage process, focused on achieving long-term progress on its chosen UN SDGs through monitoring the PAIs. From its existing holdings, the Investment Manager pre-screens a cohort of companies which lag relative to peers on objective metrics related to its PAIs. The Investment Manager then begins a structured dialogue with companies aimed at achieving objective progress on the given issue. Progress on engagement activity is recorded on the Investment Manager's proprietary research template and appropriate updates are provided to MIL Product Committee.

### 5.1 Proxy Voting

Additionally, the Investment Manager 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. The Investment Manager maintains its own Proxy Voting Policy to be implemented across mandates and directly managed strategies. Through its voting over time, the Investment Manager wants to be able to improve the environmental profiles of the portfolios. In 2021, the Investment Manager 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, the Proxy Voting policy was updated to ensure voting is also aligned across SDG 5 Gender Equality and PAI 13 Board Gender Diversity in line with the Firms prioritization of a fourth SDG.

## 5.2 Shareholder Engagement Policy

MIL is an Institutional Investor under SRD II. The Investment Manager acts as Investment Manager for the underlying investments within MIL products and has also adopted its Shareholder Engagement Policy as required under the Shareholder Rights Directive II (SRD II) on MIL's behalf. The Policy 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 the Investment Manager ensures shareholder engagement is integrated into the investment strategy. It also outlines how the Investment Manager monitors investee companies on strategy, financial and non-financial performance, risk, capital structure, social and environmental impact and corporate governance. How the Investment Manager 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.

## 5.3 Adaption of the policies

Every reporting period, MIL 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.



## 6. References to international standards

MIL believes that ongoing adherence to and the development of strong responsible investment standards, regulations and frameworks, are fundamental to our commitment to embedding sustainability.

In addition, MIL is committed to and supports the objectives of all 17 United Nations Sustainable Development Goals (SDGs) and has 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 products, with an aim to seek improvement in the long term. In 2023, in recognition of the engagements of its appointed Investment Manager on PAI 13 Board Gender Diversity, MIL formalised its prioritisation of SDG 5 Gender Equality in its update of its Policy for Products and Responsible Investment in 2023 as an additional prioritised SDG.



## 7. Historical comparison

MIL 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. Overall, approximately 80% of indicators improved in 2025 relative to 2024, while 63% showed better performance than in 2023 and 60% outperformed their 2022 levels.

### 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). An improvement was seen in 80% of indicators in 2025 compared with 2024, with five of MIL's six chosen PAIs also showing improved performance. The closure of the Mediolanum Più funds resulted in a reduction in assets under management. As these funds generally had higher issuance levels than the entity average, this contributed to a significant reduction in portfolio carbon emissions. Similarly, the reduction in PAI 5, Share of Non-Renewable Energy Consumption and Production, was mainly attributable to changes in the product offering, particularly the liquidation of the Mediolanum Più funds. PAI 13, Board Gender Diversity, showed a modest improvement of 0.31% in 2025 versus 2024. The outlier among the chosen indicators was PAI 9, Hazardous Waste Ratio, which increased by 85% in 2025 versus 2024. However, it should be noted that the metric measured 2.30 t/€m invested in 2025 versus 1.24 t/€m invested in 2024. The increase was primarily driven by managers' investment decisions and the addition of new securities to the portfolio.

In addition, the following observations were noted:

- PAI 6 – Energy consumption intensity per high-impact climate sector: 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 seemingly significant percentage differences.
- PAI 8 – Emissions to Water: due to the low data coverage of the constituent securities in the portfolios, this figure may not be fully representative of the portfolio.
- PAI 14 – Exposure to Controversial Weapons remained low. In line with Italian Law 220/2021, MIL excludes companies involved in anti-personnel mines, cluster munitions and submunitions from its investments.
- PAI 15 – GHG Intensity of investee countries improved mainly due to the progressive reduction in per capita emissions in three countries most heavily represented in the portfolios.
- PAI 16 – Investee countries subject to social violations improved over the course of the year as management activities reduced the portfolio’s exposure to countries subject to European Union sanctions.
- PAI 9, Table 3 – Lack of a human rights policy improved mainly due to changes in the product offering, particularly the liquidation of the Mediolanum Più funds.

### **Comparison 2025 - 2023**

The comparison of 2025 data with 2023 shows that 63% of indicators improved, including four of MIL’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**

Extending the comparison to 2022, a positive trend is evident, with 60% of indicators showing improvement, including four of MIL’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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