

Policy for Products and Responsible Investment



CONTENTS

1	REGULATORY BACKGROUND	3
2	EXECUTIVE SUMMARY	4
3	ROLES AND RESPONSIBILITIES	5
4	RESPONSIBLE INVESTMENT BELIEFS	6
	4.1 INTRODUCTION	6
	4.2 MIL'S PRIORITISED SUSTAINABLE DEVELOPMENT GOALS	6
	4.3 MEASURING MIL's IMPACT ON THE SDGs	7
	4.4 CARBON METRIC MONITORING	8
	4.5 ONGOING MONITORING OF PAI UNDER THE SFDR – ANNEX I & PAI STATEMENT	8
	4.6 DATA SOURCES AND CHALLENGES	9
	4.7 EXCLUSION POLICY	9
5	RESPONSIBLE INVESTMENT APPROACH	10
	5.1 INTEGRATION OF SUSTAINABILITY FACTORS AND RISKS	10
	5.2 FUND SELECTION AND INVESTMENT	11
	5.3 SECURITIES SELECTION AND INVESTMENT	12
	5.4 ENGAGEMENT AND STAKEHOLDERS	12
6	SUSTAINABLE PRODUCTS	14
	6.1 SUSTAINABLE PRODUCT IMPLICATIONS	14
	6.2 PRODUCT DEVELOPMENT PROCESS	14
	6.3 ESG MONITORING OF RESPONSIBLE INVESTMENT PRODUCTS	14
	6.4 MONITORING OF THE PRODUCTS OFFERED	14
	6.4.1 QUARTERLY MONITORING REPORT	15
	6.4.2 TAXONOMY ALIGNMENT OF RESPONSIBLE INVESTMENT FUNDS	16
	6.4.3 SUSTAINABLE INVESTMENT PROUCTS	16
7	COMMUNICATIONS	17
	7.1 TRANSPARENCY	17
	7.2 REPORTING	17
8	VERSION HISTORY	18

1 REGULATORY BACKGROUND

Mediolanum International Life dac (“MIL” or “the Company”) is authorised by the Central Bank of Ireland as a private limited life insurance company. MIL is a 100% owned subsidiary of Banca Mediolanum S.p.A. (“Group”) and is a member of the Mediolanum Insurance Group, where its operations are overseen under the auspices of a protocol with Mediolanum Vita S.p.A. that is responsible for monitoring all entities within the Mediolanum Insurance Group.

The Mediolanum Vita Policy for Products and Responsible Investment dated December 19, 2022, has been taken into consideration in the preparation of this Policy for Products and Responsible Investment (the “Policy”), while adhering to Irish regulation and legislation. Consideration is also given to the responsible investment approach of Mediolanum International Funds (“MIFL”), a group Company appointed as MIL’s Delegated Investment Manager, and its Responsible Investment policy 2024.

MIL sets forth this Policy which defines the basic principles and guidelines for the development of Responsible Products and Responsible Investment, to address the transparency rules and objectives set forth in Regulation (EU) 2019/2088 on sustainability disclosure.

The 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 Sustainable Finance Disclosure Regulation (SFDR)), is part of the European Commission's sustainable finance action plan, which aims to direct capital flows towards sustainable investments with a long-term perspective, integrate sustainability into financial management and promote transparency in the long-term.

The provisions envisaged by the SFDR, in force from 10 March 2021, were completed by Delegated Regulation No. 2022/1288, effective from 1 January 2023. This Delegated Act is consolidated in a single regulatory text, the regulatory technical standards (RTS), developed in 2021 by the three European Supervisory Authorities of the financial sector; the European Banking Authority (EBA), the European Securities Market Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA), and defines the contents and methods for presenting the disclosure requirements outlined by the SFDR for financial market participants and financial advisors.

This Policy has been put in place to address the above regulatory requirements and outlines the approach taken with regards to responsible investment. The SFDR also introduces additional disclosure requirements for funds and products that promote environmental and/or social characteristics (Article 8) or have a sustainable investment objective (Article 9). This Policy outlines the approach MIL has taken regarding Article 8 and 9 Funds and Products. The scope and application of the Policy and the responsibilities and obligations arising under the Policy are also set out in this document.

In addition to SFDR, MIFL may consider other regulatory guidelines, expectations and/or obligations in its approach to responsible investment, for example:

- ESMA Guidelines on funds' names using ESG or sustainability-related terms
- Law no. 220 of 9 December 2021, as amended from time to time.

2 EXECUTIVE SUMMARY

MIL believes that incorporating ESG principles into the investment process can lead to more sustainable returns and that the assessment of ESG risks and opportunities should occur both in the investment fund selection process and during portfolio construction. In our view, this approach **is in the best interest of** the Company's policyholders and the wider community.

MIL also believes that taking a broader and longer-term perspective on risk, including identifying sustainability themes and trends, is likely to lead to improved risk management and new opportunities. In line with Group guidelines, all entities of the Group operating as Financial Market Participants, adopt policies for the integration of ESG risks in their investment decisions.

However, this Policy for Products and Responsible Investment applies to the investment activities of Mediolanum International Life dac regarding both its own investments and those of the underlying assets of its insurance and investment products. It also outlines the roles, processes and tools to support the integration of ESG factors into its investment processes.

MIL has appointed MIFL, a Group Company, as its delegate investment manager. MIFL provides discretionary portfolio management services to MIL. The delegate Investment Manager has implemented a Responsible Investment Policy that demonstrates its commitment to integrating the factors of environment, social and corporate governance into its investment analysis, decision-making processes, and the practice of actively exercising shareholder rights and is in line with the Banca Mediolanum approach. The delegate investment manager applies its Responsible Investment Policy to all its clients including, funds managed by the delegate investment manager and those non-fund clients who have engaged the delegate investment manager as a discretionary portfolio manager (including MIL). Whilst there may be distinct differences between the legal structure and mandates granted by different clients, the delegate investment manager follows a consistent process and implements a common governance framework for all its investment management activities.

To help focus our responsible investment ambitions, MIL has decided to prioritise three environmental-oriented Sustainable Development Goals (SDGs) and one social SDG to assess assets under management to seek to improve returns over the long-term: SDG 5 Gender Equality, SDG 7 Affordable & Clean Energy, SDG 12 Responsible Consumption and Production and SDG 13 Climate Action. MIL uses the Principal Adverse Impact (PAI) indicators to measure its impact on the prioritised SDGs.

MIL's delegate Investment Manager, that shares the same SDG prioritisation, seeks to bring transparency to its process, through regular and active monitoring of the six chosen PAI indicators aligned to its prioritised 4 SDGs. The delegate Investment Manager seeks to affect change through its stewardship activities. The delegate Investment Manager looks to engage indirectly through its third-party managers of mandates or directly through engagement, to affect improvement over time across the PAI and in turn the prioritised SDGs. The delegate Investment Manager's Proxy Voting Policy is also aligned to the prioritised SDGs.

The principles referred to in this policy can be implemented in the process regulations and in the operating procedures for the development and management of MIL products, in which the criteria adopted, the application methods, the players, their roles and responsibilities, the operating and control activities, on which compliance with the regulations and the Group guidelines are based, can be further fine-tuned.

3 ROLES AND RESPONSIBILITIES

MIL is the owner of this Policy which reflects MIL's current approach to ESG integration. The Company is committed to ongoing and long-term improvement of integrating ESG into its investment management process. As such, MIL expects that this Policy will evolve over time to reflect changes in business practices, business structure, technology, and regulation. Reports will be provided to the Company's Board on materials related to the Policy. MIL will review the Policy at least annually and recommend amendments where necessary.

Role	Responsibility
Board	Approval of the Policy for Products and Responsible Investment on a periodic basis
MIFL	Delegate Investment Manager for MIL
MIL – General Manager	Due diligence assessment of MIFL's management of funds and ESG integration/ Responsible Investment approach
MIL - Product	Monitoring of MIL Responsible Investment products/ internal funds
Compliance	Assist with interpretation, implementation and compliance with sustainable regulation
Risk	Support in monitoring and assessing sustainability risks
Internal Audit	Periodic internal audit reviews of the Responsible Investment Framework

4 RESPONSIBLE INVESTMENT BELIEFS

4.1 INTRODUCTION

MIL defines responsible investment as the integration of sustainability considerations, including environmental, social and corporate governance (ESG) factors, sustainability risk and active ownership in the investment management process. This definition is aligned with that of its delegate Investment Manager, MIFL, that provides discretionary portfolio management services to MIL and both are aligned with the Banca Mediolanum Group approach. Investment funds of the delegated Investment Manager represent the largest share of the assets underlying investment insurance products for MIL. **Central to the investment process is the analysis of each investment's ability to create, sustain and protect value to ensure that it can deliver returns. Where appropriate, MIL's delegated Investment Manager, will also seek to engage and vote with the objective of improving performance in these areas.**

It is MIL's responsibility to protect the interests of its products from the impacts of financial and non-financial risks. However, MIL believes that a responsible investment approach is more likely to create and preserve investment capital when the investment process includes:

- A range of ESG factors, which can have a material impact on long-term risk and return outcomes but may not be captured in a company's financial accounts.
- PAI indicators, which can provide insight into the negative impacts of investment decisions at a product level, on environmental and social factors over time.
- Stewardship/active ownership via voting and engagement by MIL's delegated Investment Manager. These can enhance the value of companies, encourage good corporate behaviour and helps the realisation of long-term shareholder value.

Integrating a responsible investment approach is more likely to be achieved where beliefs are incorporated, including:

- Stakeholder interests are important, and investment decisions may need to be aligned with those interests.
- Taking a medium-to-long-term approach can add value to return's streams rather than focusing on short-term price movements.
- Being transparent is beneficial to stakeholders and the broader market.

4.2 MIL'S PRIORITISED SUSTAINABLE DEVELOPMENT GOALS

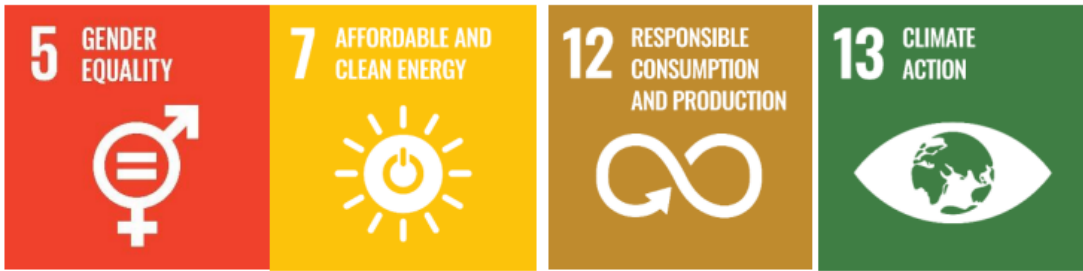
The UN SDGs are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set forward in 2015 by UN General Assembly with a target date of 2030.

Mapping investment portfolios to the UN SDGs is a common starting point for asset managers and owners seeking to make positive contributions or assess negative contributions, to the UN's 17 broad objectives. MIFL has prioritised three environmental-oriented SDGs and one social SDG to assess its assets under management with the aim of seeking improvement in the long term.

MIL decided to focus on these four SDGs because:

- 1. Climate change is a global risk that requires immediate action.
- 2. Climate change is central to EU legislative efforts such as the EU Taxonomy.
- 3. MIL supports the view of the UN that gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous, and sustainable world.

Figure 1: MIL’s prioritised SDGs



Source: sdgs.un.org/goals

4.3 MEASURING MIL’s IMPACT ON THE SDGs

MIL uses the Principal Adverse Impact (PAI) indicators to measure its impact on the prioritised SDGs. The PAI can be defined as: “Negative, material or likely to be material effects on sustainability factors that are caused, compounded by or directly linked to investment decisions and advice performed by the legal entity.” In other words, nearly all types of economic activity have the potential to impact various sustainability indicators, both positively and negatively. Figure 2. MIL ‘s prioritised SDGs and PAIs





	<div>7 AFFORDABLE AND CLEAN ENERGY</div> 	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> 	<div>13 CLIMATE ACTION</div> 	<div>5 GENDER EQUALITY</div> 
<div>PAIs chosen aligned to prioritised SDGs to measure impact</div>	<div>5. Share of non-renewable energy and consumption and production</div>	<div>9. Hazardous waste and radioactive waste ratio</div>	<div>1. GHG emissions 2. Carbon Footprint 3. GHG Intensity of investee companies 5. Share of non-renewable energy consumption and production 9. Hazardous waste and radioactive waste ratio</div>	<div>13. Board Gender Diversity</div>
ESG	Environmental	Environmental	Environmental	Social

Figure 2: MIL’s prioritised SDGs and PAIs

MIL's appointed delegated Investment Manager seeks to bring transparency to its process, through regular and active monitoring of the six chosen PAI indicators aligned to its prioritised 4 SDGs. The delegated Investment Manager seeks to affect change through its stewardship activities. The delegated Investment Manager looks to engage indirectly through its third-party managers of mandates or directly through engagement via its Single Securities Team, to affect improvement over time across the PAI and in turn the prioritised SDGs. The delegated Investment Manager's Proxy Voting Policy is also aligned to its prioritised SDGs. MIL annually assess the impact of its underlying investments through the monitoring and measurement of its chosen PAI.

4.4 CARBON METRIC MONITORING

MIL has been monitoring climate related indicators since December 2021, including the carbon related PAI indicators and MSCI Climate VaR metric to assess the underlying assets under management of its products and investments. In 2023, as part of a wider Mediolanum Group initiative, and as a part of the Group's 2024 – 2026 Strategic Plan, MIL decided to take additional steps to address climate change and carbon emissions. From 1st January 2024, MIL started to monitor four additional carbon related indicators: Weighted Average Carbon Intensity (WACI), Implied Temperature Rise (ITR), Companies with approved SBTi targets and Low Carbon Transition Score. These four metrics are measured using MSCI One¹. MIL continues the discussion along with the wider Mediolanum Group, to formalise a plan on how best to implement actions leveraging this data. An outline of these metrics is provided below:

- Weighted Average Carbon Intensity (WACI) expresses a portfolio's exposure to carbon intensive companies in tons of CO2 emissions per million euro (CO2e/€M).
- Implied Temperature Rise (ITR) is a forward-looking metric, expressed in degrees Celsius, designed to show the temperature alignment of companies, portfolios and funds with global temperature goals.
- Companies with SBTi approved targets (SBTi) is a leading global initiative to promote science-based climate target-setting and may be a common reference point for investors focused on climate targets that are aligned with the goals of the Paris Agreement.
- Low Carbon Transition Score is a framework that measures the degree to which a company's projected greenhouse gas emissions differ from a net-zero pathway between now and the year 2050.

4.5 ONGOING MONITORING OF PAI UNDER THE SFDR – ANNEX I & PAI STATEMENT

MIL considers the principle adverse impacts on sustainability factors, to monitor, maintain and reduce, in the long-term, the effects of investment decisions that have a negative impact on sustainability factors. MIL considers sixteen mandatory PAI indicators from Table 1 of the Annex I under the SFDR 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 reduction initiatives (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). Monitoring and evaluating this range of PAIs assists in managing the risks connected to potential adverse sustainability impacts from investments. Consideration of PAI

¹ MSCI One was previously branded as MSCI ESG Manager

indicators is applied across asset classes and to all mandates, not just those labelled sustainable investments. This data is used to complete the Annex I template under the SFDR which is included in the PAI statement. For more detail, a copy of the PAI statement can be accessed on MIL's website: mildac.ie/sustainability.

4.6 DATA SOURCES AND CHALLENGES

Regarding PAIs and the reporting disclosure obligations, the Investments Oversight and Portfolio Analytics (IOPA) team of the delegated Investment Manager, working with the Banca Mediolanum Allocation Monitoring & Analysis Office, use the MSCI One tool to populate the data and to generate reports. In addition, the delegated Investment Manager uses a proprietary tool as it provides MSCI's One data (ESG, SDG and PAI scores) across all its funds in an intuitive and practical way. By using the tool, the aim is to identify those holdings driving a negative impact across the monitored PAI and SDGs, allowing more actionable engagement points with underlying managers or companies. The tool helps inform the user on what is driving change. For example, is the change a result of the portfolio manager decision making or due to improvements in the underlying holdings. It is important to note that although ESG data has improved significantly in past recent years, there are still a lot of challenges associated with this, such as data coverage or consistency of data across ESG data providers.

4.7 EXCLUSION POLICY

Since December 2021, legislation aimed at countering the financing of companies involved in anti-personnel mines and cluster munitions was passed into law in Italy. As Italy is a key market for MIL, and as MIL is also part of the Mediolanum Group whose parent Company is based in Italy, we have implemented an exclusions policy which covers investment activities on portfolios and assets managed by MIL's delegated Investment Manager and applies to both its direct investments and delegated managers.

5 RESPONSIBLE INVESTMENT APPROACH

5.1 INTEGRATION OF SUSTAINABILITY FACTORS AND RISKS

The “ESG integration” approach, adopted by MIL, is applied to the investment decisions of the assets underlying the insurance products in different ways depending on the type of financial instrument, the materiality, or the ability to affect ESG characteristics.

For the purposes of this policy definition, in-scope assets can be classified into:

- **Investment Funds** - they include group and third-party funds (open-end funds, closed-end funds) in which the Company may invest directly through Internal Insurance Funds, Segregated Funds or as assets underlying the Insurance Products.
- **Securities** - they include investments in Bonds (government and corporate bonds) and Equities, although the latter represent a small component of assets under management.

From an operational point of view, the integration of sustainability risks completes the assessment of each investment opportunity and can be carried out through:

- ESG ratings for the financial instrument under review, collected through market information providers
- Consultation and analysis of available public documentation (non-financial statement, press articles)
- Direct engagement of the management company in the case of Investment Funds through meetings with representatives of the party under review to collect information or documentation useful to assess the ESG strategy with reference to the specific financial instrument.

Within the framework of the assessments carried out, the Company places particular emphasis on the use of ESG ratings published and maintained by leading specialised companies covering the widest possible range of assets available for investment. The adoption of a market rating ensures the integration of significant and detailed information and indicators for the analysis of sustainability risks.

MSCI One was deemed strongest and was chosen as the main data provider for the Mediolanum Group regarding ESG metrics.

The use of ratings represents some limitations (disclosure of inconsistent data by companies, better coverage of companies with high capitalisation, different methodologies). However, in recent years there has been a significant improvement in the dissemination and quality of data and a constant updating of the methodologies because of the experience gained in carrying out the activities.

MIL has a strong governance framework in place with its delegate Investment Manager that includes an SLA, Investment Guidelines, regular due diligence and KPI monitoring. MIL oversees and conducts on-going due diligence to ensure that the delegate Investment Manager has sufficient processes in place, including the area of responsible investment, and assesses this through the periodic reporting shared by the delegate Investment Manager with MIL.

5.2 FUND SELECTION AND INVESTMENT

MIL believes that ESG risks and opportunities should be assessed both in the investment fund selection process and during the portfolio construction.

Investment funds of the Mediolanum Group represent a large share of the assets underlying investment insurance products. However, it must be noted that each entity operating as Financial Market Participant has adopted responsible investment policies for the integration or ESG integration and risks in their investment decisions in line with the guidelines of the Group.

Regarding third-party funds, it is considered essential to assess the quality of the investment company's sustainable approach. Consequently, due diligence in the selection of the investment company should also incorporate the assessment of ESG-relevant aspects and verify the presence of responsible investment approaches within the investment processes consistent with these guidelines.

Due diligence by the delegate Investment Manager may be conducted by reviewing available documentation and administering proper questionnaires or by engaging the investment manager directly.

Such ESG assessments should be considered prior to any distribution or investment agreement and, in all cases, should be subject to periodic review.

The due diligence (or qualitative assessment) of third-party companies is carried out by the delegate Investment Manager assigning a score based on the ESG integration level (1 low level, 5 high level). The assessment is mainly based on the following five issues:

1. External Assessments & Ratings: participation in international initiatives that promote dialogue on sustainability issues (Principles for Responsible Investment, Principles for Sustainable Insurance, Principles of Stewardship) and external assessments (e.g. UNPRI, Mercer, ShareAction, etc.).
2. ESG Governance: implementation of an internal regulatory framework (any remuneration policy connected to the ESG objectives) and structures focused on sustainability (presence of a dedicated team, number of resources and related responsibilities).
3. ESG Philosophy & Tools: presence of responsible investment approaches within the investment processes (e.g. ESG or sustainability policies) and the use of specialised info-providers (e.g. number of external suppliers used to support the ESG approach).
4. UN SDGs, Environmental and Social Considerations: consideration of the Sustainable Development Goals (SDGs) of the United Nations and of the PAIs and any climate objectives, targets for decarbonisation (e.g. participation in the Net Zero Asset Managers Initiative (NZAM), climate reports).
5. ESG integration within the parent's fund range: range of sustainable products pursuant to the SFDR Regulation (% of funds with ESG integration process, Article 8 and Article 9).

The valuation process of the specific fund is completed with the support of quantitative information from the provider MSCI One, monitoring the overall rating of the fund and the partial scoring of the three factors Environment, Social and Governance.

In addition to the ESG analysis of individual funds, the overall portfolio assessment is also being considered during the portfolio construction process. To monitor and contain sustainability risks, it is verified that the portfolio's total exposure to low-rated funds is limited and that the portfolio's overall ESG score remains satisfactory over time.

Any funds classified as “Laggard” or with a negative quality rating will be further investigated with the asset manager and/or the delegated investment manager. The aim is to have a limited exposure to laggard funds and improve the integration process for laggard funds.

Regarding alternative investment funds (closed-end funds) it should be noted that the investment decision-making process for these funds has considered ESG considerations and the methods applied to their integration into the fund's investment activity. Periodic monitoring requires details of the investments made, including ESG issues.

5.3 SECURITIES SELECTION AND INVESTMENT

The process of identifying, analysing and measuring environmental, social and good governance factors is of fundamental importance in assessing the sustainability risks of companies.

Investments in equities represent a minimum share of the assets managed by the Company, which favours investments in equity markets through UCITS that allow greater diversification and risk mitigation.

The delegate Investment Manager has adopted a policy of integration of the ESG risks into investment decisions in line with the Mediolanum Group's guidelines that would subsequently ensure that the assessments are consistent with MIL's vision. MIFL was also entrusted with overseeing the engagement of issuing companies and Managers for the purposes of shareholder commitment.

In addition to economic and financial criteria, the ESG factors of the selected issuers are also considered in the investment decisions, as they are necessary elements for the pursuit of sustainable performance over time.

These factors are analysed using information gathered through the provider MSCI One or available public documentation (Non-Financial Statements, press articles). Particular attention is paid to any news with a potential negative impact on the company in environmental, social and governance terms (e.g. pollution lawsuits, corruption cases, regulatory violations). The non-financial assessments contribute to the overall assessment of the investment by giving preference, all other things being equal to investments with higher ESG ratings.

To monitor and contain sustainability risks, it is verified that the portfolio's overall exposure to low-rated companies is limited and that the portfolio's overall ESG score remains satisfactory over time.

5.4 ENGAGEMENT AND STAKEHOLDERS

The Company's most effective activity is represented by the engagement with Asset Managers aimed at improving the process of integration of their sustainability metrics given the significant weight of the Investment Funds in the Company's Assets. Engagement with underlying managers is carried out by MIFL.

MIL considers it essential to obtain information on Asset Managers regarding environmental, social and governance factors, in particular pursuant to the United Nations' Principles of Responsible Investment (UNPRI).

MIFL assesses and monitors the adoption by the Asset Managers of protocols and procedures, analyses the degree of compliance, the main corporate strategies, the implementation of sustainability

issues and the controls adopted to prevent and mitigate possible social and environmental impacts of their commercial operations.

The information supporting the assessment is obtained through direct meetings with the asset managers and/or the administration of a specific questionnaire.

The qualitative assessment of Third-Party Asset Managers is updated, generally on an annual basis, to verify the progress made. The Asset Managers with a negative quality rating are subject to further analysis.

6 SUSTAINABLE PRODUCTS

6.1 SUSTAINABLE PRODUCT IMPLICATIONS

MIL has a long-term vision and believes that environmental, social and governance sustainability factors can have a material effect on company fundamentals, both in terms of opportunities and risk mitigation.

The main purpose of the Policy for Products and Responsible Investment is to define guidelines for an insurance product offering that integrates ESG principles.

This Policy applies to investment insurance products developed and/ or offered by MIL and addresses the sustainability risk assessment of the products, specifying how ESG risk assessments are considered in the investment decisions of the underlying assets.

6.2 PRODUCT DEVELOPMENT PROCESS

The Company's product development and management process tends to create products through a Product Governance process that also incorporates ESG considerations starting from the product design stage.

If the market and customer analysis shows that the product, or part of it, at the design phase, should be classified as "Article 8" or "Article 9", the Company's Product Team liaises with the delegate Investment Manager's Investment team so that, on the basis of the product concept outlined, it will identify the underlying assets and the reference parameters to be used for the construction of the "Article 8" or "Article 9" product.

6.3 ESG MONITORING OF RESPONSIBLE INVESTMENT PRODUCTS

To enable the monitoring of investment products, the delegate Investment Manager, has adopted both internal and external tools and methodologies to generate a Quarterly PAI report, making use of the services provided by one or more leading players in the provision of ESG research for responsible investors. Specifically, the delegate Investment Manager will leverage PAI data using the provider MSCI One. MIL will receive these quarterly reports from the delegate appointed Investment Manager for its review and oversight.

6.4 MONITORING OF THE PRODUCTS OFFERED

The Mediolanum Group, through the data shared by the Allocation Monitoring and Analysis Office of Banca Mediolanum S.p.A., periodically monitor the overall product offering to check its positioning with respect to ESG factors. Specifically, Banca Mediolanum calculates an ESG score to all products offered by the Group companies. Monitoring allows for assessment of the effectiveness of the investment approaches adopted by the functions involved in the management of the group.

MIL products consist of internal funds and these MIL internal funds generally invest in underlying investment funds which are generally managed by the delegate Investment Manager. MIL has launched responsible internal funds which are themselves investing in existing MIFL SFDR article 8 and 9 funds. MIL as the Manager oversees the investment management process which is delegated to the delegate Investment Manager.

The delegate Investment Manager does not manage any of the assets of the Responsible investment internal Funds directly. With respect to the Responsible investment internal Funds, the delegate Investment Manager has currently adopted a multi-manager/fund of fund approach whereby the

underlying Responsible investment Fund's assets may be allocated to one or more third-party asset managers that are considered by the delegate Investment Manager to be leading managers in their respective fields.

Notwithstanding the use of this multi-manager approach, the delegate Investment Manager will retain overall responsibility for managing the assets of the underlying Responsible investment Funds within MIL Products and any allocations of assets by the Manager to such third-party asset manager(s) are entirely at MIFL's sole discretion.

The delegated Investment Manager's Investment team will undertake appropriate due diligence on the underlying funds/mandates before appointing them as Manager for an Article 8 or 9 MIFL Fund. On an ongoing basis, the delegate Investment Manager will also monitor the implementation and attainment of the ESG Goal/sustainable investment objective of the Article 8 and 9 Funds. To do this, the delegate Investment Manager will:

1. Leverage delegate managers and target funds reporting that will demonstrate how the individual fund/ mandate is attaining its specific ESG Goal/ sustainable investment objective; and
2. Monitor at the level of the underlying Sub-Fund using a variety of PAI and ESG metrics
3. Monitor the Quarterly PAI reports on underlying Responsible investment Funds produced by the Performance Team.

The reporting with the ESG positioning of the Insurance Products is sent to the Company monthly and it is the task of the Product Team in MIL, to assess the changes over time, identify any critical issues and take corrective actions, if necessary, to be shared with the Board when appropriate.

- Monitoring also makes it possible to assess whether any adjustments should be made to the principles set out in this policy to achieve results that are consistent with the Group's sustainability guidelines.
- The guidelines described in this paragraph apply to all the Company's investment insurance products, with a different extent depending on the specificities of the product and of the issuer of the underlying assets, or, if the underlying assets are UCITS units, of the fund management company.

6.4.1 QUARTERLY MONITORING REPORT

As part of their quarterly monitoring reporting, Compliance will receive a confirmation from the delegate Investment Manager that:

- they are operating in line with MIL's Responsible Investment Policy
- their appointed delegate investment managers' sustainability due diligence has been completed and the relevant attestations were received, and no issues have been noted.

6.4.2 TAXONOMY ALIGNMENT OF RESPONSIBLE INVESTMENT FUNDS

A general disclosure has also been included in all MIL's T&Cs noting that the Products do not consider the Taxonomy Regulation.

The Taxonomy regulation is still evolving and there are industry wide data challenges. The Taxonomy Regulation establishes an EU-wide classification system or 'framework' intended to provide businesses and investors with a common language to identify to what degree economic activities can be considered environmentally sustainable. It aims to "provide clarity and transparency on environmental sustainability to investors, financial institutions, companies and issuers thereby enabling informed decision-making to foster investments in environmentally sustainable activities. It differs from the SFDR in the fact that it provides strict classification criteria for environmentally sustainability activities against six environmentally sustainable objectives whereby the SFDR focuses more on disclosure rather than setting criteria for sustainable investments.

Article 9 Funds that have sustainable objectives, and Article 8 Funds that promote an Environmental and / or Social characteristic, are subject to disclosure requirements under the Taxonomy. However, it is not mandatory to include Taxonomy Aligned Investments in Article 8 or 9 funds. If the fund cannot accurately calculate the Taxonomy alignment based on the underlying companies in the fund, then it must disclose 0% alignment. Estimates cannot be used for Taxonomy alignment. Currently, it is very difficult to calculate Taxonomy alignment due to the fact the underlying companies are not yet required by regulation to publish the data required to perform the calculation at the level of the fund. This is an industry wide challenge. MIFL currently is disclosing zero percent for Taxonomy alignment as it does not have accurate data to calculate. MIFL will continue to work with the underlying managers and will disclose a Taxonomy alignment figure for the underlying Responsible Investment funds when we are satisfied the underlying data is reliable. MIL relies on the taxonomy disclosure of underlying MIFL funds to disclose the taxonomy disclosure for MIL internal funds.

6.4.3 SUSTAINABLE INVESTMENT PRODUCTS

In the case of products referred to in Article 8 or 9 of Regulation 2088, the Company will from time to time, based on the characteristics of the product, determine whether and which PAIs are to be actively managed. The information will also be provided in the specific annex to the fund's prospectus.

There are very prescriptive disclosures required for responsible investment (SFDR Article 8 and 9) products/internal funds.

In line with the fund classification outlined in the SFDR, MIFL will consider PAI indicators for each Responsible Investment Product. It is expected that the prioritisation of PAIs for the different products will follow the ESG priorities and sustainable objectives of the funds. More detailed descriptions of the prioritisation of these PAIs will be provided in the product disclosures.

7 COMMUNICATIONS

7.1 TRANSPARENCY

In line with the transparency policies always adopted by MIL and in compliance with the provisions of Regulation (EU) 2019/2088 and Commission Delegated Regulation (EU) 2022/1288, the Company makes available on its website:

- information on the integration of risks and sustainability factors in its investment decision-making process and in its remuneration policies.
- the “Declaration on the Principal Adverse Impacts of Investment Decisions on Sustainability Factors” to represent and measure the contribution of the company to the process of reducing the negative effects on its business operations.

The Company shall ensure that the information published in accordance with Articles 3, 5, 6, 10 and 13 of Regulation (EU) 2019/2088 is kept up to date, and in particular, in the event of a change to this information, that a clear explanation of the change is posted on the website.

7.2 REPORTING

With reference to the positioning of its Products, MIL periodically receives the results of the “Products” monitoring conducted by Banca Mediolanum including the scores assigned to the Group's products/services.

The report is provided to the various units involved in investment activities and shared within Banca Mediolanum ESG Investment Commission for any specific analyses of the products/services under review, both at the fund and individual security level, to be conducted where abnormal rating changes are detected or to identify possible areas for product improvement referring to ESG issues.

8 VERSION HISTORY

Version 1.0 - Prepared by	MIL Product Manager	June 2023
Reviewed by	MIL General Manager	June 2023
Approved by	MIL Board of Directors	June 2023
Version 2.0 - Prepared by	MIL Product Manager	March 2024
Reviewed by	MIL General Manager	March 2024
Approved by	MIL Board of Directors	March 2024
Version 2.1 – Prepared by	MIL Product Manager	October 2024
Approved by	MIL Board of Directors	

