Entity Level Disclosures
Sustainable Finance Disclosure Regulation

1. Introduction

Mediolanum International Funds Limited ("MIFL" or the "Manager") is authorised by the Central Bank of Ireland as a UCITS Fund Management Company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) as amended ("UCITS Regulations") and an Alternative Investment Fund Manager pursuant to the European Union (Alternative Investment Fund Managers) Regulations, 2013 (S.I. No. 257 of 2013) as amended ("AIFM Regulations"). Under its current authorisation, MIFL also has permission to provide individual portfolio management on a discretionary basis to non-fund clients. MIFL acts as Investment Manager to a number of internally managed UCITS and AIFs (the "Funds") and also some non-fund clients (together known as the "Products").

Environmental Social and Governance (ESG) issues are integral to the values and culture of the Mediolanum Group. These values are also embedded in MIFL's investment process. MIFL has put in place a documented Investment Decision-Making Process ("Investment Process") that applies to all its clients including, the Funds and those non-fund clients who have engaged the MIFL as a discretionary portfolio manager. Whilst there may be distinct differences between the legal structure and mandates granted by different Products, MIFL follows a consistent process and implements a common governance framework for all of its investment management activities.

MIFL meets the definition of a Financial Market Participant ("FMP") under the Sustainable Financial Disclosure Regulation (the "SFDR"). Under the SFDR, MIFL is required to publish a number of entity level disclosures on its website including:

- Information on how sustainability risk has been integrated into the investment decision making process (Article 3);
- Information on how its remuneration arrangements are consistent with the integration of sustainability risk into the investment decision making process (Article 5); and
- Information on how the adverse Impacts of investment decisions on sustainability factors are considered. (Article 4).

This statement has been prepared to address the above requirements as outlined under the SFDR by providing an overview of MIFL's approach to sustainability integration in the Investment Process.

2. Responsible Investing

MIFL maintains a Responsible Investment Policy (the "RI Policy") that outlines the framework and approach taken with regards to responsible investment in its investment decision making process. Although MIFL is not a signatory, the basis for our approach to sustainability integration is grounded on the United Nations 6 Principles for Responsible Investment (UN PRI) for institutional managers which looks to contributing towards a more sustainable global financial system. MIFL defines "responsible investment" as the integration of sustainability considerations, including environmental, social and corporate governance (ESG) factors, sustainability risk and active ownership (i.e. seeking to drive change through proxy voting in investee companies) (together, "Sustainability Considerations") into the investment decision-making process.

The Manager believes that the integration of Sustainability Considerations into the investment management process can lead to more sustainable risk-adjusted returns by identifying high quality companies for investment and/or portfolio managers (including collective investment schemes under their management) that pursue an ESG/sustainable investment agenda. MIFL's goal is to enhance and improve sustainability integration in a multi-step, and a multi-year, approach across the various Product lines and to monitor any improvement on an ongoing basis.

While the Manager considers ESG Factors in the investment decision-making process, this does not mean that ESG Factors/sustainability considerations are the sole or foremost considerations for investment decisions. It is also worth highlighting that MIFL has not adopted an exclusions policy at this time. Further, given the wide variety of portfolios under management, the Manager may take varying approaches when assessing and weighing up Sustainability Considerations within its Investment Process in line with a particular investment strategy. A different and deeper approach will be in place for Products with more specific ESG considerations compared to less developed ESG product areas. Nonetheless, MIFL's long-term efforts will be towards seeing improvements across all areas, where possible.

MIFL understands that its investment decisions may have an impact on sustainability factors (such as climate and the environment, and social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters). MIFL believes that monitoring sustainability risks and the ESG scores of the Products over time, can provide insight as to how its investment decisions could potentially have a material adverse impact on sustainability factors. Accordingly, the Manager seeks to manage and mitigate sustainability risks to the extent possible by integrating such risks into its investment decision-making process. The Manager does this using both quantitative and qualitative processes as outlined in Section 3 below. MIFL's initial focus will be to prioritise environmental factors such as climate change, affordable and green energy and responsible production when considering the impacts of its investment decisions.

These factors will initially underpin the monitoring of portfolios and engagement with asset managers and companies. MIFL also believes that active ownership can be used to help protect long term shareholder value and contribute positively to sustainability practices and outcomes over time. Please refer to Section 4 for additional detail on MIFL's ESG approach to Proxy Voting.

As the Regulatory Technical Standards ("Level 2 measures") to supplement the Level 1 SFDR text are still in draft format and are not expected to apply until 1 January 2022, MIFL has not yet incorporated mandatory Principle Adverse Impact Indicators ("PAIs") into its investment due diligence process. Once the Level 2 measures have been adopted by the European Commission, MIFL will ensure that the relevant requirements and PAIs are implemented into MIFL's Investment Process and any required disclosures will be made within the regulatory timeframes as dictated by the Level 2 Measures.

3. Due Diligence

In respect of the assets under management, the Manager may take varying approaches to integrating ESG Considerations into the Investment Process depending on whether:

- MIFL has appointed a sub-delegate portfolio manager to manage a portion of assets on its behalf ("Delegate Mandate"):
- MIFL invests in collective investment schemes managed by other third-party managers ("Fund of Fund"); and
- MIFL invests directly in investee companies through equities and fixed income ("MIFL Mandate").

➢ *Delegate Mandate and Fund of Fund*

This approach may involve MIFL appointing a delegate portfolio manager to manage a portion of assets of a Product on its behalf or investing in third party funds or both. When selecting a delegate portfolio manager or a third-party fund (together to be known as "Third-Party Managers"), MIFL's Manager Research team undertakes due diligence initially and on an ongoing basis as outlined in MIFL's Investment Process and ESG integration forms a key part of this due diligence. MIFL believes that ESG risks and opportunities should be assessed by Third-Party Managers in stock selection and portfolio construction. As part of the due diligence process, the Manager uses various screening tools utilised individually or combined in assessing potential Third-Party Managers which can include the use of external research and data (including publicly available information and data sourced from third party data providers) and direct engagement with the potential Third-Party Managers. MIFL has developed its own proprietary rating providing an overall rating at portfolio level which can help the monitoring requirements and portfolio construction needs, supported by both quantitative and qualitative metrics.

MIFL communicates its ESG approach and requirements to Third-Party Managers, and potential Third-Party Managers, as part of the selection process and the ongoing monitoring process, in efforts to ensure alignment. MIFL will engage with the Third-Party Managers with the objective of driving change, particularly with those who score poorly against the Manager's various metrics. The Manager retains discretion to divest from third-party funds and/or delegate portfolio managers when considering ESG scores or ESG events.

- *MIFL Mandates*

MIFL have implemented a framework to integrate ESG considerations into the equity and fixed income investment process focussing on the three elements of stock screening, portfolio measurement and engagement. Prior to acquiring investments on behalf of a Product, the Manager uses various screening tools utilised individually or combined in defining the investment universe which can include the use of external research and data (including publicly available information and data sourced from third party data providers), as well as assessment of strengths and weaknesses of engagements of the relevant issuers conducted by the Manager. MIFL regularly reviews the portfolios ESG ratings as part of the ongoing Investment Process to not only ensure that the broader portfolio maintains an overall satisfactory ESG score, but importantly that we are improving our ESG ratings over the long term where possible. The Manager retains discretion to divest from investee companies when considering ESG scores or ESG Events.

4. Stewardship/active ownership (via voting and engagement)

- **Proxy Voting**

MIFL believes stewardship (or active ownership) helps to realise long-term shareholder value by providing investors with an opportunity to enhance the value of companies more consistent with long-term investor timeframes. MIFL maintains its own Proxy Voting Policy as required by the relevant regulations. The Proxy Voting Policy sets out the measures and procedures adopted when exercising its right to vote on relevant securities relating to the Products under management. MIFL has engaged a proxy voting service to provide analysis on voting and tools to help enhance MIFL's ESG approach to voting over time. Through voting, MIFL aims to improve the environmental profiles of the portfolios over time. MIFL also maintains a Shareholder Engagement Policy as required under the European Union (Shareholders' Rights) Regulations 2020.

- **Industry Engagement**

As noted under Section 2, MIFL delegates a large portion of assets under management to Third Party Managers and MIFL is of the view that one of the more powerful tools it has is this engagement with the Third Party Asset Managers to help push forward the ESG and sustainable investment agenda across the broader industry.

- **Industry Collaboration and Collective Action**

Sustainable Investment Forum (SIF Ireland): MIFL is a founding member of the Sustainable and Responsible Investment Forum Ireland (SIF Ireland). This is a domestic steering group set up by Sustainable Nation Ireland in 2017, which is an Irish Government body to support and promote Sustainable Investment in Ireland. This group's mandate is to provide support to grow sustainable businesses, encourage efficient use of resources across businesses, training and skills development in ESG, and to promote Ireland as a global hub of sustainable finance.

5. Remuneration Arrangements

Mediolanum Irish Operations (includes MIFL and sister company Mediolanum International Life DAC) maintains a Remuneration Policy in line with the UCITS and AIFMD requirements and any other applicable regulation. An underlying principle of the Remuneration Policy (the "Policy") is to promote sound and effective risk management that does not encourage excessive risk-taking with respect to the investment decision making process, this will include sustainability risk considerations. The Remuneration Policy already aims to ensure that the remuneration pay-outs are appropriate and that the risk profile, long term objectives and goals of the firm and interests of the investors are adequately reflected in them. Performance-based remuneration for staff is awarded in a manner which promotes sound risk management and does not encourage excessive risk-taking. As such MIFL is satisfied the its existing remuneration arrangements adopted under the Remuneration Policy are consistent with the Integration of ESG/sustainability risk considerations, where these are relevant and material for Product.

6. Ongoing Review

MIFL will review its RI Policy and any related website disclosures on at least an annual basis to ensure they are kept up to date.