

Sustainability-related disclosures

Mediolanum Global Sustainable Bond

This disclosure is made by Mediolanum International Funds Limited (the “**Manager**”) in respect of Mediolanum Global Sustainable Bond, (the “**Sub-Fund**”), a sub-fund of Mediolanum Best Brands (the “**Fund**”) pursuant to Article 10 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (“**SFDR**”).

The prospectus of the Fund is available from www.mifl.ie which includes the investment objective and policies of the Sub-Fund together with the pre-contractual annex contained in the Sub-Fund Information Card therein and a copy of the most recent annual reports of the Fund is available from www.mifl.ie.

a. Summary:

The Sub-Fund will seek to achieve its investment objective by primarily investing in or taking exposures to “sustainable investments” which are defined as those investments which contribute to an environmental or social objective (provided that such investments do not significantly harm any of those objectives and that investee companies follow good governance practices). The Sub-Fund therefore falls within the scope of Article 9 of the SFDR.

The investment objective of Mediolanum Global Sustainable Bond is to achieve capital appreciation over a long term investment horizon by primarily investing in sustainable investments.

The Manager intends to hold 80% of the Sub-Fund’s Net Asset Value (excluding cash, cash equivalents and certain derivatives for liquidity and hedging purposes) in mandates in relation to all or part of the Sub-Fund's assets managed by its selected third-party asset manager(s) and/or collective investment schemes, which have sustainable investments as their objective in accordance with Article 9 of SFDR. When investing in collective investment schemes, the Manager or third-party asset manager(s) seek to ensure that 100% of the Sub-Fund’s investments in collective investments comprise schemes which are classified as Article 9 in line with the SFDR.

The Sub-Fund commits to having a minimum 30% sustainable investments with an environmental objective (that are not aligned with the EU Taxonomy) and a minimum of 0% sustainable investments with a social objective. To achieve the 100% total sustainable investment commitment, the remaining 70% will be allocated between other environmental and/or social sustainable investments but with no fixed allocation as this will depend on the availability of sustainable investment.

The Sub-Fund will seek to attain the sustainable investment objective of the Sub-Fund as monitored by a number of sustainability indicators (which are certain selected Principal Adverse Impact Indicators (“PAIs”)) and will measure and monitor these selected PAI indicators for all managed assets of the Sub-Fund in order to demonstrate attainment of its sustainable investment objective on a periodic basis using MSCI ESG Manager or other third party ESG data rating providers.

The Manager or the third-party asset manager(s) appointed by the Manager to manage the Sub-Fund consider the 14 mandatory indicators on greenhouse gas emissions, biodiversity, water, waste and social indicators with reference to the companies in which the Sub-Fund invests in order to show the impact of the sustainable investments against these indicators.

The Manager and/or the third-party asset manager(s) appointed by the Manager ensure, through the use of screening tools, to exclude companies that do not comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The Manager or third-party asset manager(s) appointed by the Manager will also assess the governance practices and governance performance of the companies in which it invests through the assessment of companies' sound management structures, employee relations, remuneration of staff and tax compliance.

The Manager communicates its ESG approach and requirements to the third-party asset manager(s) appointed as part of the selection process and the ongoing monitoring process, to seek to ensure they align with such approach and requirements. The Manager may also perform a periodic ESG due diligence assessment of the appointed third-party asset manager(s)' proprietary methodology/ies for its allocation of the Sub-Fund. This may also include the application of the Manager's proprietary ESG scoring methodology to the third-party asset manager(s)' process to select sustainable investments within the investment process and portfolio construction and a verification that any appointed thirdparty asset manager continues to select sustainable investments as part of its investment strategy.

ESG data quality and availability can vary significantly from company to company, industry to industry or region to region, since most companies worldwide are not currently required by law (with the exception of certain EU based issuers) to report on the majority of ESG data. Third-party ESG data providers all tend to use different methodologies for scoring which leads to variances in ratings and a lack of consistency.

The Sub-Fund has not designated a reference benchmark for the purpose of attaining its sustainable investment objective promoted by it.

b. No significant harm to the sustainable investment objective:

The sustainable investments of the Sub-Fund do not significantly harm any environmental or social objectives.

The Manager or the third-party asset manager(s) appointed by the Manager consider the indicators for adverse impacts on sustainability factors and ensure that the sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Third-party asset manager(s) may also consider alignment with other principles, such as the United Nations Global Compact Principles on human rights, labour standards, environmental protection and anti-bribery/corruption and exclude companies which are in violation or severe material breach of these principles.

The Manager or the third-party asset manager(s) appointed by the Manager to manage the Sub-Fund consider the 14 mandatory indicators on greenhouse gas emissions, biodiversity, water, waste and social indicators with reference to the companies in which the Sub-Fund invests in order to show the impact of the sustainable investments against these indicators. Accordingly, the third-party asset manager(s) demonstrate that the sustainable investments of the companies do not significantly harm ("DNSH") any of these environmental or social objectives. The 2 mandatory PAI indicators for sovereigns, GHG intensity (Table 1 PAI 15) and Investee countries subject to social violations (Table 1 PAI 16), also apply to the Sub-Fund. The additional 2 mandatory PAI indicators for real estate assets do not apply to the Sub-Fund.

The Manager and/or the third-party asset manager(s) appointed by the Manager ensure, through the use of screening tools, to exclude companies that do not comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

c. Sustainable investment objective of the financial product:

The investment objective of Mediolanum Global Sustainable Bond is to achieve capital appreciation over a long-term investment horizon by primarily investing in sustainable investments.

d. Investment strategy:

The Sub-Fund will seek to achieve its investment objective by investing in “sustainable investments” which are defined as those investments which contribute to an environmental or social objective (provided that such investments do not significantly harm any of those objectives and that investee companies follow good governance practices). The Sub-Fund will primarily invest in or take exposures on a global basis (including emerging markets) to a diversified portfolio of fixed income securities, as described below, listed or traded on any Recognised Exchanges worldwide. For the avoidance of doubt, the investments of the Sub-Fund will be in such “sustainable investments” with the exception of investments made for the purpose of hedging, efficient portfolio management and liquidity purposes.

In seeking to achieve its investment objective, the Sub-Fund may invest in a full spectrum of available fixed income securities, including non-investment grade. The sustainability themes which the Sub-Fund will invest in includes, but is not limited to (i) achieving an inclusive society; (ii) education and skilling; (iii) public health, (iv) safety and well-being (v) enabling the circular economy; (vi) ensuring clean and plentiful water; (vii) promoting clean and safe energy, and (viii) promoting sustainable mobility and infrastructure (collectively the “Sustainability Themes”).

Securities will be subject to initial ESG exclusion or best in class (product based) and ESG norms based research (conduct based) by the Manager or third-party asset manager(s) appointed by the Manager as well as an overall ESG assessment of the issuer.

The Manager or third-party asset manager(s) appointed by the Manager will invest in or take exposure to sustainable bonds which include:

1. Labelled Green, Social and Sustainable Bonds which contribute to one or more of the Sustainability Themes referred to above, offering solutions to major environmental and social challenges (“GSS Bonds”); GSS Bonds will be subject to assessments of the issuer’s overall management of material environmental or social issues, quality, and scope of relevant targets in the issuer’s offering documents, alignment with external standards such as Green Bond Principles (“GBP”), Social Bond Principles (“SBP”), and Sustainability Bond Guidelines (“SBG”) of the International Capital Markets Association or future developed frameworks and periodic reporting quality of the environmental or social contribution of the project; and

2. Securities with direct exposure to corporate or sovereign bonds issuers whereby the product or service of the issuer contributes materially to one or more of the selected Sustainability Themes referred to above (collectively “Corporate or Sovereign Bonds”). Corporate or Sovereign Bonds will be assessed using both internal research and scoring process, and bottom-up analysis to assess the issuer’s overall management of material environmental or social issues as well as the materiality of

the contribution to these themes using metrics such as percentage of revenue, profits, market share using a greater than 50% threshold.

For further information, please refer to the Annex appended to this Sub-Fund Information Card in respect of Mediolanum Global Sustainable Bond.

When investing in collective investment schemes, the Manager or third-party asset manager(s) seek to ensure that 100% of the Sub-Fund's investments in collective investments comprise schemes which are classified as Article 9 in line with the SFDR.

The Manager undertakes a periodic assessment of the third-party asset manager(s) approach to managing collective investment schemes classified as Article 9 in line with the SFDR.

The Manager also performs a periodic ESG due diligence assessment of the appointed third-party asset manager(s)' proprietary methodology/ies for its allocation of the Sub-Fund. This includes the application of the Manager's proprietary ESG scoring methodology to the third-party asset manager(s)' ability to select sustainable investments within the investment process and portfolio construction and a verification that any appointed third-party asset manager continues to select sustainable investments as part of its investment strategy. The Manager's proprietary ESG scoring methodology applies a specific ESG rating to each third-party asset manager, with qualitative inputs and quantitative metrics used as tools to support the relevant ESG scoring applied to each third-party asset manager. Each underlying mandate/collective investment scheme must have a minimum Manager ESG score. The type of information that the Manager will request from third-party asset manager(s)/manager(s) of the collective investment schemes (if applicable) includes, but is not limited to: (i) ESG/sustainability investment approach, including the definition of sustainable investments; (ii) ESG investment strategy and binding elements; (iii) target asset allocation (sustainable investments and taxonomy aligned investments); (iv) sustainability indicators; (v) the use of PAIs; and (vi) confirmations in relation to monitoring and reporting.

The Manager or third-party asset manager(s) appointed by the Manager also assess the governance practices and governance performance of the companies in which it invests through the assessment of companies' sound management structures, employee relations, remuneration of staff and tax compliance. The Manager or the third-party asset manager(s) are of the opinion that companies should have suitable practices and policies in place across all four of these areas to ensure that they are best placed to evolve in a sustainable manner over the long-term. In order to assess how well companies are governed, the Manager or third-party asset manager(s) may use a range of different metrics associated with each of the above areas, which may involve the use proprietary tools with various data points, analysis of related materials of companies, direct interactions with the management and/or governance information and ratings from data providers.

e. Proportion of investments:

The asset allocation and minimum share of sustainable investments contained in the pre-contractual annex of the Sub-Fund is as of 1 December 2022 and states the following percentages as:

To meet the sustainable investment objective, the Sub-Fund invests (directly or indirectly through eligible collective investment schemes) 80% of its NAV in sustainable investments with the exception of certain derivatives (including but not limited to those used for hedging and efficient portfolio management purposes), cash and cash equivalents.

The Sub-Fund commits to having a minimum 30% sustainable investments with an environmental objective (that are not aligned with the EU Taxonomy) and a minimum of 0% sustainable investments

with a social objective. To achieve the 100% total sustainable investment commitment, the remaining 70% will be allocated between other environmental and/or social sustainable investments but with no fixed allocation as this will depend on the availability of sustainable investment.

The latest data available to the Manager sets the asset allocation and minimum share of sustainable investments of the Sub-Fund as is above.

The minimum share of sustainable investments at Sub-Fund level takes into account the minimum share of sustainable investments allocated by each third-party asset manager to each mandate/collective investment scheme (if applicable) on an aggregated basis.

The Manager or the third-party asset manager(s) appointed by the Manager does not plan to use derivatives as a long term strategy as part of the Sub-Fund's sustainable investment objective. However, from time to time, the Manager or the third-party asset manager(s) appointed by the Manager may use derivatives for investment purposes and as part of its strategy to attain the sustainable investment objective of the Sub-Fund. Such investment would include, for example, the use of swaps providing exposure to sustainable investments (for example through swaps based on a portfolio of sustainable investment securities or SFDR Article 9 funds) that are deemed to be consistent with the investment strategy of the Sub-Fund.

f. Monitoring of sustainable investment objective:

With respect to this Sub-Fund, the Manager uses the principal adverse impacts ("PAIs") of Carbon footprint (Table 1 PAI 2), GHG intensity of investee companies (Table 1 PAI 3), Exposure to companies active in the fossil fuel sector (Table 1 PAI 4), Share of non-renewable energy consumption and production (Table 1 PAI 5), Violations of UN Global Compact principles and Organisation for Economic

Cooperation and Development (OECD) Guidelines for Multinational Enterprises (Table 1 PAI 10) Investments in companies without carbon emission reduction initiatives (Table 2 PAI 4), and will measure and monitor these selected PAI indicators for all managed assets of the Sub-Fund in order to demonstrate attainment of its sustainable investment objective on a periodic basis using MSCI ESG Manager or other third party ESG data rating providers. For the avoidance of doubt, the Manager's selection of PAIs for this Sub-Fund with reference to the sustainability indicators is separate and distinct from the Manager's consideration of PAIs in accordance with Article 4(1)(a) of SFDR and Article 7(1)(a) of SFDR as set out below.

Subject to data availability and using MSCI ESG Manager, the Manager will measure the selected PAI indicators, as outlined above for all managed assets of the Sub-Fund on a periodic basis. The report will underpin the monitoring of the Sub-Fund through the bespoke PAI chosen for the Sub-Fund and enable engagement with asset managers for ESG purposes. The Investment Team and sub investment groups will use the reports for consideration within the investment process to make an overall assessment of potential concerns, as the basis for engagement with companies or fund managers.

g. Methodologies:

When investing in collective investment schemes, the Manager or third-party asset manager(s) seek to ensure that 100% of the Sub-Fund's investments in collective investments comprise schemes which are classified as Article 9 in line with the SFDR. The Manager undertakes a periodic assessment of the third-party asset manager(s) approach to managing collective investment schemes classified as Article 9 in line with the SFDR.

The Manager also performs a periodic ESG due diligence assessment of the appointed third-party asset manager(s)' proprietary methodology/ies for its allocation of the Sub-Fund, as further described under “**d. Investment strategy**”.

The Manager and/or the third-party asset manager(s) consider the 14 mandatory indicators on greenhouse gas emissions, biodiversity, water, waste and social indicators with reference to the companies in which the Sub-Fund invests in order to show the impact of sustainable investments against these indicators on a periodic basis using MSCI ESG Manager or other third party ESG data rating providers. Consideration of PAIs on sustainability factors will enable engagement by the Manager with third-party asset manager(s) for monitoring purposes.

h. Data sources and processing:

Each of the third-party asset manager(s) appointed by the Manager and the managers of collective investment schemes use their own data sources and proprietary methodologies. As described herein, the Manager performs a periodic ESG due diligence assessment of the appointed third-party asset manager(s)' proprietary methodology/ies for its allocation of the Sub-Fund. Monitoring and oversight of underlying third-party asset managers will be done by the Manager using MSCI ESG Manager or other third-party ESG data rating providers.

The Manager recognises the data challenges with respect to ESG and in selecting data sourced from third party providers, which is used to attain the sustainable investment objective of the Sub-Fund.

As part of the Manager's due diligence process, the third-party asset manager(s) appointed by the Manager and the managers of collective investment schemes will periodically share the data that supports their ongoing monitoring of the applicable manager's chosen sustainability indicators for assessment of the Sub-Fund's mandate.

Furthermore, on a periodic basis, the Manager receives and analyses the reports from the third-party asset managers and the managers of collective investment schemes to ensure they are at the standard required and will engage with the third-party managers accordingly. The Manager assesses the third-party asset manager(s)' appointed by the Manager and the managers of collective investment schemes' approach to attaining Article 9 classification.

The data provided by third-party data providers is generally integrated directly into the Manager's internal systems and workflows through an automated feed at set frequencies in order to reduce any operational risk which may arise as a result of human intervention. The reports received from thirdparty asset manager(s) appointed by the Manager and the managers of collective investment schemes are also integrated into the data management system of the Manager.

It is currently difficult to report sufficiently accurate numbers on the proportion of data used for the SubFund by the Manager which is estimated due to the multi-manager approach taken by the Manager in respect of the Sub-Fund. However, as described herein the Manager has a robust due diligence approach in place.

i. Limitations to methodologies and data:

Since most companies worldwide are not currently required by law (with the exception of certain EU based issuers) to report on the majority of ESG data, companies are left to determine for themselves which ESG factors are material to their business performance, and what information to disclose to investors. It means ESG data quality and availability can vary significantly from company to company, industry to industry or region to region.

Currently, large corporates in Europe must disclose under the Non-Financial Reporting Directive (NFRD). However, the NFRD does not align with the data points under the SFDR. New legislation namely, the Corporate Sustainability Reporting Directive, has been drafted to expand the scope of the NFRD and align it to the SFDR. But this is not expected to apply until 2023 for large companies and 2025 for smaller in-scope firms. This means there will be a mismatch between the time asset managers are expected to report on ESG data and investment companies are obliged to report. Inevitably, this will lead to data gaps.

Third-party ESG data providers (MSCI, Sustainalytics) all tend to use different methodologies for scoring which leads to variances in data and a lack of consistency.

As described herein, the Manager undertakes a periodic ESG due diligence assessment of the appointed third-party asset manager(s)' proprietary methodology/ies. Additionally, the Manager may resort to options such as using multiple data providers for certain data, having a direct dialogue with third-party asset manager(s) or through engagement and proxy voting in investee companies. Furthermore, to limit the risk that the above limitations might influence the attainment of the sustainable investment objective of the Sub-Fund, a control has been set up based on controversies and any sustainability related controversies highlighted are queried by the Manager with the third-party asset manager. This ensures that such limitations don't impact on the ability of the Manager or the thirdparty asset manager(s) to ensure the attainment of the sustainable investment objective of the SubFund are met.

j. Due diligence:

Securities with direct exposure to corporate or sovereign bonds issuers whereby the product or service of the issuer contributes materially to one or more of the selected Sustainability Themes referred to above (collectively "Corporate or Sovereign Bonds"). Corporate or Sovereign Bonds will be assessed using both internal research and scoring process, and bottom-up analysis to assess the issuer's overall management of material environmental or social issues as well as the materiality of the contribution to these themes using metrics such as percentage of revenue, profits, market share using a greater than 50% threshold.

The Manager also performs a periodic ESG due diligence assessment of the appointed third-party asset manager(s)' proprietary methodology/ies for its allocation of the Sub-Fund, as further described under "**d. Investment strategy**".

As part of the due diligence process implemented by the Manager in respect of the selection of one or more third-party asset manager(s) appointed, the Manager communicates its ESG approach and requirements to the third-party asset manager(s) appointed as part of the selection process and the ongoing monitoring process, to seek to ensure they align with such approach and requirements and the Manager will engage with them with the specific objective of driving change, particularly with those who score poorly against the Manager's various metrics.

k. Engagement policies:

The Manager will measure and monitor selected PAI indicators for all managed assets of the SubFund on a periodic basis using MSCI ESG Manager or other third-party ESG data rating providers. Consideration of PAIs on sustainability factors will enable engagement by the Manager with third-party asset manager(s) for monitoring purposes.

The Manager has an engagement policy based on quantitative metrics, these are linked to the sustainability indicators as described above. For the sustainable investments in the Sub-Fund, any sustainability related controversies highlighted are queried with the third-party asset manager.

The Manager will also pursue active ownership by seeking to drive change through engagement and proxy voting in investee companies.

i. Attainment of the sustainable investment objective:

No reference benchmark has been designated for the purpose of attaining the Sub-Fund's sustainable investment objective. Portfolio construction follows a benchmark agnostic approach which will seek adequate diversification across opportunities and individual securities.

Date: 5 March 2024