KAIROS
PARTNERS SGR

Disclosure on the Implementation of the Engagement Policy Pursuant to Article 124-quinquies, paragraph 2, of the Consolidated Law on Finance (TUF)

2025

INTRODUCTION

This disclosure has been prepared pursuant to Article 124-*quinquies* of Legislative Decree No. 58 of 24 February 1998, as introduced by Legislative Decree No. 49 of 10 May 2019 implementing EU Directive 2017/828 (Shareholder Rights Directive II), concerning the encouragement of long-term shareholder engagement.
It sets out the methods adopted by Kairos Partners SGR S.p.A. (hereinafter also “Kairos”, the “SGR” or the “Company”) during 2025 for exercising the rights to attend and vote attached to the financial instruments held in the managed portfolios.

As an asset management company, Kairos undertakes to exercise, in a reasonable and responsible manner, the rights attached to the financial instruments included in the assets under management.
The SGR considers dialogue with issuers to be a fundamental element in implementing a responsible investment policy, as it contributes to protecting and preserving investment value over the long term and constitutes an appropriate measure to safeguard investors' rights. Furthermore, by exercising voting rights at shareholders' meetings, the SGR acts in the best interest of investors with respect to the rights attached to the financial instruments held by the managed UCIs.

To best carry out its engagement activities, Kairos has adopted and regularly updates its "Engagement and Exercise of Voting Rights Policy", published in the Policy section of the Company's website.

The Engagement Policy defines the principles, organisational measures and behaviours adopted by the Company to foster dialogue with issuers in which it invests, integrating engagement into investment strategies and promoting sound, ethical and sustainable long-term business practices.

The Policy consists essentially of three components:

1. The exercise of voting rights at shareholders' meetings
2. Monitoring of issuers' economic and financial performance and related risks
3. Engagement with issuers on specific matters

Voting proposals may be submitted by Portfolio Management Functions (product managers, who may identify meetings at which it is deemed appropriate to participate and vote in accordance with their mandates) and by the Analysts & ESG Team.
The Analysts & ESG Team, in agreement with the Chief Investment Officer—who holds responsibility for exercising voting rights—casts votes or delegates voting authority in line with internal procedures.

The Analysts & ESG Team also oversees reporting activities and contributes to monitoring and engagement with issuers on significant matters relating to strategy, financial and non-financial performance, risks, capital structure, and social, environmental and governance impacts.

KAIROS
PARTNERS SGR

EXERCISE OF VOTING RIGHTS AND SUBMISSION OF LISTS FOR THE ELECTION OF MINORITY REPRESENTATIVES

The SGR adopts a targeted approach to corporate governance, favouring — under the principle of proportionality — the exercise of voting rights for medium/long-term investments in "significant" portfolio companies.
Investments representing at least 2% of NAV are considered significant. In certain circumstances, the SGR may also participate in meetings where holdings are below 2%, for example in the case of extraordinary transactions or when ESG matters are explicitly included on the agenda.

Kairos is a member of the Italian Asset Managers' Committee (**www.comitatodeigestori.it**), composed of Italian and foreign asset management companies, for the purpose of submitting minority slates for the appointment and co-option of minority directors and statutory auditors in Italian listed companies.
The list voting system allows candidates to be proposed and elected by shareholders other than controlling shareholders or the outgoing board. Independent advisors selected by Assogestioni (the Italian asset management association) are responsible for identifying potential minority candidates.
Voting decisions are always informed and based on documentation provided by issuers, as well as analyses conducted by leading proxy voting research firms.

Starting from the 2023 proxy season, Kairos has expressed its vote on the various agenda items also making use of the in-depth analyses of shareholders' meeting proposals provided by the proxy advisor ISS.

During 2025, the SGR participated in a total of **59 Shareholders' Meetings (*)** of Italian (58%) and foreign (42%) issuers, voting on **844 agenda items**, of which 87% were voted in favour and 13% were abstentions or votes against.

In accordance with Italian list voting regulations, Kairos contributed to the submission and voting of **24 minority slates (**)** for the appointment of members of the administrative and supervisory bodies.

* The list of issuers for which voting rights were exercised is provided in the Appendix.
** The list of issuers for which a minority slate was submitted is provided in the Appendix.

Beginning with the 2025 proxy season, the criteria set out in the Policy were expanded to also take into account specific ESG (Environmental, Social, Governance) factors. It was therefore agreed that, in formulating its voting recommendations, the proxy advisor ISS would refer to guidelines consistent with sustainable business practices, as framed within initiatives such as the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Principles for Responsible Investment (UNPRI), the United Nations Global Compact, the Global Reporting Initiative (GRI), the Carbon Principles, the International Labour Organization Conventions (ILO), the CERES Principles, the Global Sullivan Principles, the MacBride Principles, and the European Union Directives on social and environmental matters.
The SGR also provided the Proxy with its own specific guidelines to be incorporated into the voting recommendations.

Since 2024, the SGR has published on its website a monthly summary of the votes cast, detailing the Shareholders' Meetings attended and the vote expressed, in line with its ESG Policy, for each agenda item.

The full reports on the submission of minority slates for the election and co-option of minority Directors and Statutory Auditors in Italian listed issuers are available for the various years at the following **link**.

No particularly significant situations emerged with regard to the conduct adopted at Shareholders' Meetings in relation to the exercise of voting rights.

KAIROS
PARTNERS SGR

MONITORING/*ENGAGEMENT*

Alongside the exercise of voting rights, Kairos considers dialogue with the issuers in which it invests to be a priority, with the aim of preserving and enhancing the value of the investment, in compliance with the fiduciary duty entrusted to it by its clients.

Effective engagement requires a process that:

- Is embedded within an appropriate long-term investment framework and focuses on the preservation and creation of long-term value, ensuring that engagement is aligned with the investment thesis;
- Is grounded in a thorough understanding of the nature of the company, the drivers of its business model and its constraints;
- Is based on clear objectives aimed at achieving change;
- Recognises that change is a process and that, although urgency may sometimes be necessary, change should not be inappropriately rushed;
- Uses consistent, direct and transparent messaging and dialogue;
- Uses resources efficiently to ensure the broadest possible engagement coverage, making use of all available tools, including collective engagement.

Dialogue with issuers may be categorised as follows:

- **Monitoring activities:** all activities aimed at understanding the business model, developing internal models and carrying out ongoing monitoring in order to reach informed investment decisions that maximise capital allocation value. These activities take the form of one-to-one meetings and group meetings. The issuer’s counterparts in this process are primarily executives, Investor Relations (IR) functions and sell-side analysts.

During 2025, the SGR held approximately **750 in-depth meetings** directly with portfolio issuers and sell-side analysts, supporting and facilitating informed investment decision-making.

- **Engagement activities:** these typically take place when the process of understanding the issuer is at an advanced stage, the expected holding period remains long-term, and the scope of discussion is generally focused on specific topics. The counterparts in this process are preferably executives and non-executive members of the Board of Directors, in line with the issuers' dialogue policies (***).
  The topics addressed mainly relate to capital allocation, governance matters, and the monitoring and oversight of climate change-related risks. With respect to the latter, Kairos believes that climate change risks, and in particular greenhouse gas emissions, will have a material impact on a company's long-term profitability, sustainability and investor returns. These risks include regulatory developments, taxation, competitive disadvantage, brand deterioration, financing constraints and litigation. Therefore, the SGR encourages, by way of example and not limitation:
  - The completion of CDP (formerly Carbon Disclosure Project) climate change questionnaires;
  - The adoption of emission reduction targets incorporating climate change scenarios based on approaches supported by CDP and the Science Based Targets Initiative (SBTi). Such targets should be set across short-, medium- and long-term horizons in order to enable timely corrective action in the event of deviations;
  - Compliance with all good governance practices, including, by way of example and not limitation, a significant proportion of independent directors on Boards of Directors, diversity in terms of skills, gender and age, and adequate disclosure of the parameters underlying variable remuneration policies;
  - The participation of Italian issuers in the Sustainability Week promoted by Borsa Italiana, within the framework of adherence to the initiatives of the Forum for Sustainable Finance.

Such meetings may also be held in collaboration with other institutional investors.

During 2025, the SGR carried out **1 individual engagement and 11 collective engagements (8 of which as lead or co-lead investor)**, often taking the initiative in coordinating and gathering the interest of other investors around specific topics. The SGR is aware that bringing together a broader group of investors increases the likelihood of a successful outcome, while ensuring the effectiveness and efficiency of issuers' engagement efforts on the matters raised by investors.

Collective engagement on "attraction policies and growth paths for young people in Italy".

Within the working group coordinated by the Forum for Sustainable Finance (FFS), Anima SGR and Kairos Partners SGR, together with Assofondipensione and Assoprevidenza, launched and led, as co-leads, an engagement initiative on the topic "Attraction policies and growth paths for young people in Italy", which was joined by additional investors and institutional stakeholders who are members of the Forum.

*** For Italian issuers, Recommendation No. 3 of the Corporate Governance Code suggests that issuers adopt a policy governing the management of dialogue with all shareholders.

In its initial phase, the initiative aimed to analyse the current state of youth attraction policies and development pathways implemented by Italian companies listed on the FTSE MIB[1], as well as to identify and capture best practices. The chosen engagement method was a questionnaire, designed so that each question could stimulate forward-looking reflection.

In May 2025, the target companies were contacted in order to present the engagement initiative and request completion of the questionnaire. In the following months, the completed questionnaires were analysed with the aim of identifying and consolidating best practices in this area, which will be subsequently shared with the participating target companies.

Sustainability week

Within the engagement working group coordinated by the Forum for Sustainable Finance (FFS) and Assofondipensione, the SGR participated in the Euronext Sustainability Week, promoted by Borsa Italiana – Euronext, acting as lead investor for 7 issuers.

The initiative was launched through the sending of a letter to issuers registered for the Euronext Sustainability Week 2025, outlining a series of environmental, social and governance (ESG) topics considered priorities by investors.

For the environmental area, the topics identified for the 2025 engagement include: the inclusion of climate risks in corporate risk management strategies; the adoption of a transition plan and a climate change adaptation strategy; alignment with the EU Taxonomy for environmentally sustainable economic activities; disclosure of environmental data through CDP (formerly Carbon Disclosure Project) reporting; alignment of greenhouse gas emission reduction targets with SBTi standards; the introduction of corporate policies for sustainable water resource management, biodiversity protection, waste reduction and recycling within a circular economy framework, as well as measures to reduce plastic pollution.

In the social sphere, the priority topics include: just transition; workplace safety; sustainability in the value chain; engagement with local communities; generational equality and workforce stability; professional training; and pay equity.

Finally, with regard to governance, the topics identified for 2025 include: shareholder approval of the climate transition plan; gender equality; remuneration policies; tax and lobbying policies; prevention of active and passive corruption; application of national collective labour agreements and contractual welfare; and the adoption of a code of ethics concerning the use of artificial intelligence-related technologies.

1. Composition as of September 2025.

Enel Engagement Update

Among the collective initiatives launched in 2023 and continued throughout 2024 and 2025, it is worth noting that a group of investors, members of the Forum for Sustainable Finance, together with a group of investors signatory to the Climate Action 100+ initiative, requested that Enel disclose a set of information regarding its coal phase-out.

The group of investors, led by Generali AM and Kairos Partners SGR as lead investors of the initiative, obtained from the company the publication of a dedicated coal section in its 2023 Sustainability Report, published in 2024, and in the Integrated Report published in 2025.

Discover more

Climate Action 100+

Terna SpA

Within the working group of the Forum for Sustainable Finance, the SGR adheres to and participates as a supporting investor in the engagement initiative promoted and coordinated by the institutional investor IMPact SGR with respect to the issuer Terna S.p.A.

The engagement has primarily focused on climate resilience and climate change mitigation. In particular, the initiative aims to further examine the strategies adopted by the company in relation to climate risks, adaptation capabilities and, more generally, to promote greater transparency regarding key information on the physical and transition risks to which the company is exposed, as well as the ways in which such risks are managed and overseen.

During 2025, the company incorporated into its financial report certain elements discussed during the engagement process relating to climate resilience and adaptation, giving them greater prominence within the document.

During the latest meetings held in 2025, Terna confirmed its commitment to improving transparency and reporting on climate risks, in line with new European regulations and investors' expectations. The engagement initiative will continue throughout 2026.

KAIROS PARTNERS SGR

Reform of Capital Markets Regulation

As part of its advocacy activities on matters considered relevant for enhancing the medium-term value of managed portfolios, the SGR contributed to the drafting of the position paper of the Italian Asset Management Association (Assogestioni) on certain key aspects of the comprehensive reform of capital markets legislation set out in Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Finance), as well as of the provisions governing joint-stock companies contained in the Italian Civil Code.

In particular, Assogestioni focused on:
- Protection of minority shareholders;
- Preferential rules for newly listed companies and SMEs;
- Proposed resolutions on agenda items;
- Vote on remuneration policy;
- Regulation of public takeover bids;
- Downlisting.

The Association's position is available at the following **link**.

Omnibus Decree

The SGR adhered to the joint appeal developed by Eurosif together with IIGCC and PRI regarding the Omnibus initiative presented by the European Commission during the year. The appeal aimed to support simplification as a regulatory objective, while calling for harmonisation and optimisation of disclosure obligations that would not alter the underlying regulatory architecture. It highlighted that substantial amendments to the CSRD and the EU Taxonomy, in particular, could make it more difficult for investors to access reliable and comparable ESG data and could impact compliance.

Shareholders' Rights II

A second revision of the Shareholders' Rights Directive (SRD II) is scheduled for the end of 2026.

EFAMA has begun working closely with its members (including the Italian industry association, Assogestioni) to define the main priorities and relevant issues. The SGR and the Group are actively working within the association to prepare their contribution and respond to the monitoring process.

Just Transition

During 2025, as a member of the Forum for Sustainable Finance (FFS), the SGR participated in the Working Group on "Sustainable Finance and Just Transition", whose objective was to analyse in depth the social dimensions of the ecological transition. The analysis considered both an objective perspective — taking into account the complexity of the process, the availability of critical raw materials and potential employment impacts — and a subjective perspective, such as climate denialism and cognitive biases that tend to emphasise immediate costs while underestimating future benefits and avoided damages. The conclusions of the Working Group were compiled into a final document structured as guidelines to support financial market participants, available at the following **link**.

KAIROS PARTNERS SGR

APPENDIX

Assicurazioni Generali SpA (**), Avolta AG, Azimut Holding SpA (**), Banca Mediolanum SpA, Banca Popolare di Sondrio SpA (**), Buzzi SpA, Cellnex Telecom SA, Cloudflare, Inc., Compagnie de Saint-Gobain SA, De'Longhi SpA (**), DiaSorin SpA (**), DSM-Firmenich AG, EDP SA, Eiffage SA, El.En. SpA (**), Elia Group SA/NV, ENAV SpA (**), Ferrari NV, Fincantieri SpA (**), Getlink SE, GPI SpA (**), illimity Bank SpA, Infrastrutture Wireless Italiane SpA (**), Intesa Sanpaolo SpA (**), Iren SpA (**), Enel SpA (**), Italgas SpA (**), JPMorgan Chase & Co., London Stock Exchange Group plc, Mediobanca Banca di Credito Finanziario SpA, Mercedes-Benz Group AG, Merlin Properties SOCIMI SA, Moncler SpA (**), Nasdaq, Inc., NVIDIA Corporation, Orange SA, Pharmanutra SpA (**), Philogen (**), Prysmian SpA (**), Rai Way SpA, Recordati SpA, Reply SpA, Saipem SpA, Sanlorenzo SpA (**), SAP SE, SNAM SpA (**), SOL SpA (**), SSE Plc, Stellantis NV, STMicroelectronics NV, Telecom Italia SpA, Telecom Italia Risp., Tenaris SA, Tinexta SpA (**), Unipol Assicurazioni SpA (**), Veolia Environnement SA, VINCI SA, Zignago Vetro SpA (**), Zurich Insurance Group AG.

** Companies for which a minority slate was submitted for the administrative and/or supervisory bodies.