

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: MFS Investment Management Company (Lux) S.à r.l (“MFS Lux”), LEI 549300YXNO4Z5XQ00194

Issue Date: 30 June 2026

Summary

MFS Lux is a UCITS management company authorised by the Luxembourg CSSF. MFS Lux is the management company to MFS Meridian Funds and MFS Investment Funds and provides portfolio management services to certain segregated mandates. This principal adverse sustainability impact statement is based on the aggregated investments in equity securities and fixed income instruments in the portfolios of the MFS Meridian Funds, MFS Investment Funds and the segregated mandates of MFS Lux (the “MFS Lux Portfolios”). This principal adverse sustainability statement provides information on the impact of the MFS Lux Portfolios as measured against certain principal adverse impact indicators (“PAIs”) under Regulation 2019/2088 on Sustainability-Related Disclosures in the Financial Services Sector (“SFDR”). MFS Lux and its affiliates (collectively “MFS”) collaborate to provide investment management services on a global basis to funds and institutional investors. An integral part of our collaboration is the global research platform that allows MFS investment professionals to develop local market perspectives and which drives uncompromised information sharing across sectors, geographies and asset classes.

This PAI statement covers the reference period from 1 January 2025 to 31 December 2025. The assessment of the principal adverse impacts of the MFS Portfolios is based on the average of investments held in the MFS Lux Portfolios as of 31 March 2025, 30 June 2025, 30 September 2025 and 31 December 2025 which represented USD 33.79 billion in assets under management. Please note that for this reference period (1 January 2025 to 31 December 2025), to ensure consistency with the European Supervisory Authorities’ Q&A on SFDR, the denominator used to calculate each PAI (as applicable) is based on all investment in the MFS Lux Portfolios. For the previous reference period (1 January 2023 to 31 December 2023), the denominator used to calculate the PAI (as applicable) was based on relevant investments i.e. investments applicable to the particular PAI. Please note that as the provision of ESG data continues to develop and evolve, we made the decision to transition to a different ESG provider in 2025 in respect of PAI data. The underlying PAI data used to compile this statement has been sourced from this ESG vendor. As each ESG vendor utilizes its own methodology, the PAI data for 2025 may not fully correspond to PAI statements for previous reporting periods due to potential differences in methodology. Please see our explanation under ‘Historical comparison’ below for further information on these potential differences.

Consideration of ESG factors and PAIs

At MFS, the consideration of PAIs of investment decisions on sustainability factors is linked to the consideration of sustainability risks as explained below. MFS does not consider PAIs in isolation of idiosyncratic, issuer-specific sustainability risks, as MFS seeks to deliver the best risk-adjusted financial returns for investors over the long-term. This PAI statement has been prepared in line with our investment approach. While this may mean that we do not consider each of the PAIs in respect of each issuer that we invest, we have provided impact data where available in respect of the MFS Lux Portfolios. Environmental, social and governance (“ESG”) factors, including sustainability-related risks, are integrated into our investment decision-making process alongside traditional economic factors to the extent we believe that such ESG factors may be material to and have a long-term economic impact on an issuer’s value and expected investment returns. MFS believes that certain ESG factors, including sustainability-related risks, could materially impact the value of an issuer by representing a source of economic opportunity that contributes to an issuer's growth and outperformance relative to its peer group or a source of risk that could cause an actual or potential material negative impact on the long-term value of an investment. The universe of ESG opportunities and sustainability-related risks is very broad and may include, without limitation, physical and transitional impacts related to climate change, resource depletion, shifting consumer preferences or demand, a company's governance structure and practices, data protection and privacy issues, labor practices, and regulatory and reputational risks. When integrating ESG factors into our investment process from both an opportunity and risk perspective, MFS' investment professionals may use a variety of tools, including, but not limited to, (i) proprietary issuer and industry research, (ii) internally developed analytical tools designed to evaluate issuer performance and risk-exposure, and (iii) third-party specialist ESG providers offering issuer level ESG data, industry research and ratings. MFS investment professionals

have access to proprietary interactive dashboards within the MFS integrated research platform which allow them to visualize and analyze various ESG data elements, including certain PAIs in Annex I of the SFDR RTS.

As noted above, MFS investment professionals may consider certain PAIs within their broader ESG integration framework in the investment process to assess financial materiality and also their engagement practices. PAIs are not treated as separate components nor would PAIs drive investment decisions except where the PAI is considered to be financially material to the issuer of the underlying security. Sustainability-related issues are complex, interconnected and evolving. MFS believes that the materiality of principal adverse impacts cannot be reduced to an automated process. The consideration of principal adverse impacts by MFS investment professionals for financial materiality is generally subjective and often involves considering risks or opportunities that are intangible and hard to measure. Their analysis will therefore be in-depth, qualitative, issuer-specific and contextual. MFS investment professionals retain flexibility to consider the principal adverse impacts within different points of the investment process and engagement activities or not at all, and the extent to which MFS investment professionals consider principal adverse impact indicators may vary. MFS investment professionals do not apply PAIs as the basis for exclusions or screens, nor would these indicators be used within a purely quantitative portfolio optimization framework. MFS investment professionals will engage with certain issuers in the portfolio with respect to issues (including, potentially, PAIs) that are considered financially material, but we do not engage with every issuer within every portfolio. Engaging with issuers is an important component of the MFS investment approach, including engagement on PAI's that MFS considers to be financially material. Please refer to the MFS Lux Engagement Policy Statement for additional information available on www.meridian.mfs.com.

A range of MFS Lux Portfolios are designated as Article 8 under SFDR (as financial products that promote environmental or social characteristics). Certain PAIs may be incorporated in the characteristic promoted. For example, the MFS Low Carbon Transition Characteristic incorporates the consideration of GHG emissions and GHG intensity of investee companies in the underlying climate criteria. As of 31 December 2025, MFS Lux had designated 43 MFS Meridian Funds and 8 MFS Investment Funds as Article 8 under SFDR. Additional information relating to the consideration of PAIs for MFS Portfolios designated as Article 8 of SFDR is available in the applicable product website disclosure: see www.meridian.mfs.com and www.fcp.mfs.com.

Description of principal adverse sustainability impacts of investment decisions on sustainability factors

The MFS Policy on Responsible Investing and Engagement sets out the framework for how we integrate ESG factors including sustainability risks. It applies across our fundamental equity and fixed income investment strategies and guides our engagement with issuers. The MFS Policy on Responsible Investing and Engagement applies to all MFS entities including MFS Lux and has been in effect since 2009. We believe that this global approach ensures consistency in, and demonstrates our commitment to, the integration of ESG factors, including sustainability risks, into our investment process and ownership practices. Please refer to the MFS Investment Management Responsible Investing Policy Statement for more information, available on our website: www.mfs.com.

Adverse sustainability indicator		Metric	Impact 2025	Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	917,817.78 tonne CO2e	1,625,563.9 tonne CO2e	1,264,782.5 tonne CO2e	1,050,369.2 tonne CO2e	Please see ‘Historical comparison’ below for information relating to differences in methodology in this statement in comparison to previous statements. We believe climate change will be a financially material investment topic in the future, creating risks and opportunities for issuers. As long-term stewards of capital, MFS aims to evaluate and manage the associated climate-related risks and opportunities. The MFS Strategic Climate Action plan sets out the MFS global perspective and approach, which was created by our global investment team and pertains to MFS Lux, is available on www.mfs.com . At issuer and portfolio levels, MFS investment professionals evaluate both absolute GHG emissions and GHG intensity of individual issuers. These data points are available to MFS investment professionals via internal databases which allows for evaluation of these metrics on a standalone basis and versus issuer peer group in a similar industry or geography. These data points are often considered ahead of engagements with issuers. At a portfolio level, MFS investment professionals evaluate the GHG performance of various MFS strategies using a number of potential data points, including (where appropriate) the carbon intensity of the portfolio. Strategy level data on carbon emissions is available via an internal dashboard in our investment research system that is available to all portfolio managers. This dashboard also includes the strategy’s carbon intensity by sector and industry to allow portfolio managers to better evaluate the source of the strategy’s emissions. Our annual sustainability reviews also typically incorporate an evaluation of a strategy’s greenhouse gas emissions based on the data from this internal dashboard.	
		Scope 2 GHG emissions	243,600.55 tonne CO2e	292,433.22 tonne CO2e	253,776.66 tonne CO2e	245,677.84 tonne CO2e		
		Scope 3 GHG emissions	8,183,570.44 tonne CO2e	12,787,216 tonne CO2e	8,912,082 tonne CO2e	6,847,889 tonne CO2e		
		Total GHG emissions	9,368,790.73 tonne CO2e	14,623,656 tonne CO2e	10,598,894 tonne CO2e	8,271,073 tonne CO2e		
	2. Carbon footprint	Carbon footprint	385.07 tonne CO2e / EUR M invested	543.3673 tonne CO2e / EUR M invested	419.59344 tonne CO2e / EUR M invested	311.79926 tonne CO2e / EUR M invested		
	3. GHG intensity of investee companies	GHG intensity of investee companies	855.76 tonne CO2 / EUR M revenue	990.7551 tonne CO2e / EUR M revenue	822.8955 tonne CO2e / EUR M revenue	787.0226 tonne CO2e / EUR M revenue		
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	7.30%	9.52%	10.45%	9.46%		
	5. Share of non-renewable energy	Share of non-renewable energy consumption and non-renewable energy production of	Consumption and Production: 58.22%	Consumption: 46.98 %	Consumption: 67.83%	Consumption: 67.72% Production: 68.29%	As indicated above, GHG emissions and GHG intensity of investee companies are incorporated into the climate	

	consumption and production	investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage		Production: 2.39%	Production: 62.56%		criteria of MFS portfolios that promote the MFS Low Carbon Transition Characteristic under Article 8 of SFDR. Please refer to the product website disclosure for further information: www.meridian.mfs.com / www.fcp.mfs.com. When evaluating issuers that are active in certain sectors or industries, MFS investment professionals may consider factors such as exposure to the fossil fuel sector or the share of non-renewable energy production. MFS investment professionals aim to understand this exposure both in industries and sectors that are clearly linked to these risks and opportunities (e.g. the energy sector and power utilities industry) and other less obvious sectors where indirect impacts are likely to be experienced by issuers (e.g. the industrials sector). As an example of our inclusion of these PAIs, MFS utilities industry analysts track, evaluate, and engage with the management teams of the power utilities MFS is invested in to better understand the issuer's plans for transitioning to cleaner sources of power generation (i.e. production). Importantly, in the United States, the decision to transition to cleaner sources of power is not one made by the utility alone. State regulators oversee this transition, and those regulators consider a variety of factors, such as customer bill impacts and grid reliability. Due to concerns regarding the intermittency of renewable power and growing power demand in some areas (e.g. for electric vehicle charging and artificial intelligence), we have noted some utility management teams talking about potentially extending the life of certain fossil fuel or nuclear assets and/or adding storage to capture energy generated by intermittent sources like solar and wind. Our work on the challenges power utilities face in providing clean, reliable, and affordable power has enabled our investment team to better understand the opportunities that many industrial companies have to create cleaner forms of energy or supply the equipment necessary to enhance and upgrade electrical grids. We
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	N/A	Total: 0.3253867 GWh / EUR M revenue	Total: 0.601724 GWh / EUR M revenue	Total: 0.6665447 GWh / EUR M revenue	
			N/A	Sector A: 0.0002975535 GWh / EUR M revenue	Sector A: 0.113309585 GWh / EUR M revenue	Sector A: 0.17042324 GWh / EUR M revenue	
			NACE Code B: 0.97 GWh / EUR M revenue	Sector B: 0.05893846 GWh / EUR M revenue	Sector B: 1.2042174 GWh / EUR M revenue	Sector B: 1.4826059 GWh / EUR M revenue	
			NACE Code C: 0.99 GWh / EUR M revenue	Sector C: 0.09224031 GWh / EUR M revenue	Sector C: 0.21847099 GWh / EUR M revenue	Sector C: 0.29100525 GWh / EUR M revenue	
			NACE Code D: 2.25 GWh / EUR M revenue	Sector D: 0.11750729 GWh / EUR M revenue	Sector D: 3.7808623 GWh / EUR M revenue	Sector D: 5.273804 GWh / EUR M revenue	

							have invested in a variety of companies that will aid in this transition and should benefit from these trends for many years to come.
			NACE Code E: 2.00 GWh / EUR M revenue	Sector E: 0.0018790637 GWh / EUR M revenue	Sector E: 0.30343214 GWh / EUR M revenue	Sector E: 0.3751528 GWh / EUR M revenue	In some cases, these industrial companies may have above average carbon emissions today; however, as is always the case in investing, we endeavor to look to the future and understand the ways in which their contributions impact the climate on a net basis. We also generally engage with these companies to understand their climate targets and how they plan to reduce their emissions, water use, or other impacts. MFS' investment team continues to evaluate carbon capture and storage, which is a technology that may be effective in reducing emissions over the long term. We have also explored the potential for nuclear to offer baseload power generation with minimal GHG emissions. In 2025, the team spent considerable time understanding the impact of AI on the electric power industry.
			NACE Code F: 0.38 GWh / EUR M revenue	Sector F: 0.000168066 GWh / EUR M revenue	Sector F: 0.031798095 GWh / EUR M revenue	Sector F: 0.058546282 GWh / EUR M revenue	
			NACE Code G: 0.16 GWh / EUR M revenue	Sector G: 0.0014448578 GWh / EUR M revenue	Sector G: 0.059746534 GWh / EUR M revenue	Sector G: 0.06483674 GWh / EUR M revenue	
			NACE Code H: 1.74 GWh / EUR M revenue	Sector H: 0.036913086 GWh / EUR M revenue	Sector H: 1.8904715 GWh / EUR M revenue	Sector H: 1.0683696 GWh / EUR M revenue	
			NACE Code L: 0.22 GWh / EUR M revenue	Sector L: 0.020745907 GWh / EUR M revenue	Sector L: 0.6122057 GWh / EUR M revenue	Sector L: 0.58426946 GWh / EUR M revenue	

Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	10.85%	2.61%	3.65%	3.55%	Please see 'Historical comparison' below for information relating to differences in methodology in this statement in comparison to previous statements. MFS investment professionals have developed thematic research on the topic of biodiversity and participate in external initiatives and have engaged with certain issuers to understand the risk at a company level where biodiversity may be a material financial risk.
Water	8. Emissions to water	Tonne of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	4.05 tonne / EUR M invested	0.0030670944 tonne / EUR M invested	0.0023263823 tonne / EUR M invested	0.0014127356 tonne / EUR M invested	Please see 'Historical comparison' below for information relating to differences in methodology in this statement in comparison to previous statements. When water emissions are considered to be financially material, MFS will evaluate water risks along one or more of several potential dimensions, such as water withdrawal intensity, water consumption intensity, and emissions to water. MFS investment professionals generally find water risk to be most pronounced for issuers that have highly concentrated operations or supply chains. For example, we continued our analysis of the long-term water risk for a large semiconductor manufacturer that is expanding operations in the United States.
Waste	9. Hazardous waste ratio	Tonne of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	17.44 tonne / EUR M invested	55.31123 tonne / EUR M invested	51.556297 tonne / EUR M invested	32.234215 tonne / EUR M invested	Please see 'Historical comparison' below for information relating to differences in methodology in this statement in comparison to previous statements. Historically, the hazardous waste ratio has not been a data point that MFS investment professionals have used in the investment decision process; however, MFS investment professionals have researched and engaged with issuers on hazardous waste-related concerns, most notably in the area of tailings pond management

							for miners and oil sands issuer where the risk is considered financially material.
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Adverse sustainability indicator		Metric	Impact 2025	Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.13%	3.20%	16.31%	7.84%	Please see 'Historical comparison' below for information relating to differences in methodology in this statement in comparison to previous statements. MFS investment professionals have access to multiple controversy aggregation services, each of which offers an assessment of whether the service provider believes an issuer has violated international standards like the UN Global Compact principles. Most notably, MFS ESG data sets include information on issuers that one of our research providers believes has violated or is on the watch list for potentially violating a UN Global Compact principle. As these international principles are broad and open to interpretation, different controversy service providers may have different assessments on which issuers violated these principles. As a result, MFS investment professionals are more focused on understanding the underlying controversies faced by the issuer and the impact on the financial results or valuation of the issuer over the long-term. Please see the commentary shared above in relation to PAI 10.	
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.28%	0.17%	0.19%	0.78%		

	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	11.12%	10.07%	11.04%	10.1%	Please see 'Historical comparison' below for information relating to differences in methodology in this statement in comparison to previous statements. Corporate culture is an established research topic for MFS investment professionals, as we believe strong culture supports operational quality, innovative capacity, and many other aspects that are critical to a company's long-term success. Evaluation of corporate culture generally includes an evaluation of employee turnover, pay, and other data, such as pay gaps and diversity levels within an organization. MFS regularly engages with issuers on the topic of culture. From a governance standpoint, MFS integrates a number of data points into our analysis of board structure, leadership, and culture. These data points include, but are not limited to, independent board leadership (i.e. the presence of an independent chair or lead independent director), board gender diversity, and overall board and committee independence. As an example of the work undertaken in this area, MFS investment professionals have engaged with boards to properly manage board diversity. These engagements are further supported by the recent increases in board gender diversity thresholds we have set in the MFS Proxy Voting Policy. We believe greater board diversity is generally likely to lead to better decision making by the board. Finally, in regards to controversial weapons, MFS has had a policy in place on this topic for many years and considers the financial materiality risks as appropriate.
	13. Board gender diversity	Average ratio of female to male board members in investee companies	37.98%	30.28%	34.28%	32.76%	
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	0%	0%	

Adverse sustainability indicator		Metric	Impact 2025	Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken
Environmental	15. GHG intensity	GHG intensity of investee countries	648.94 tonne CO2e/EUR M GDP	127.0289 tonne CO2e / EUR M GDP	379.01645 tonne CO2e / EUR M GDP	371.2539 tonne CO2e / EUR M GDP	Please see 'Historical comparison' below for information relating to differences in methodology in this statement in comparison to previous statements. We believe climate change will be a financially material investment topic in the future, creating risks and opportunities for issuers including countries. As long-term stewards of capital, MFS aims to evaluate and manage the associated climate-related risks and opportunities responsibly. At issuer and portfolio levels, MFS investment professionals evaluate both absolute GHG emissions and GHG intensity of individual countries. These data points are available to MFS investment professionals via internal databases which allows for evaluation of these metrics on a standalone basis and versus peers. At a portfolio level, MFS investment professionals evaluate the GHG performance of various MFS strategies using a number of potential data points, including (where appropriate) the carbon intensity and carbon footprint of the portfolio. Country level data on carbon emissions is made available to the appropriate investment personnel and updated annually. Our annual sustainability reviews also typically incorporate an evaluation of a given strategy's carbon data.	
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee	Relative: 4.35% Absolute: 3	Relative: 3.08% Absolute: 2	Relative: 3.64% Absolute: 2.5	Relative: 4.36%	Please see 'Historical comparison' below for information relating to differences in methodology in this statement in comparison to previous statements. MFS investment professionals have access to multiple data sources including a controversy	

		countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law					aggregation service. One of the sources also offers an assessment of whether an issuer has violated international treaties and conventions. As these international principles are broad and open to interpretation, different data providers may have different assessments on which countries may have potentially violated them. As a result, MFS investment professionals are more focused on understanding the underlying controversies faced by the country and the impact on the financial conditions of the country and the valuation of the country's sovereign bonds over the long-term. Controversy assessment is an important aspect of our ESG research and integration process and may inform investment decisions and engagements.
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Adverse sustainability indicator		Metric	Impact 2025	Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	N/A	N/A		
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	N/A	N/A		

Table 2
Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse sustainability impact (qualitative or quantitative)	Metric	Impact 2025	Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	32.34%	38.87%	54.23%	59.75%	Please see 'Historical comparison' below for information relating to differences in methodology in this statement in comparison to previous statements. This measure provides the percentage of the portfolio (on an asset weighted basis) that have not committed to a science-based carbon reduction target. This measure does not include companies that may have set other targets, including net zero targets and other targets that may closely approximate science-based targets. As a result, it only measures companies that have not committed to the most stringent form of carbon reduction targets (see explanation on PAIs 1 to 4 above relating to climate change). We engage consistently with companies to manage what we believe to be financially material climate risks.	

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability impact	Adverse sustainability impact (qualitative or quantitative)	Metric	Impact 2025	Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken
Social and employee matters	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	5.50 number of accidents per million hours worked	2.6129847 number of accidents per million hours worked	3.3920841 number of accidents per million hours worked	3.017834 number of accidents per million hours worked	Please see 'Historical comparison' below for information relating to differences in methodology in this statement in comparison to previous statements. This measure provides the frequency with which workers employed by the companies in the portfolio experience an injury of any kind. A million working hours is equivalent to a full year of employment for 500 individuals, so a result of three would suggest that, on average, three workers out of every 500 experience an injury of some kind in a given year. Importantly, this accident rate does not measure severity of injury. In many cases, workers who experience injuries do not miss time due to that injury. In addition to impacting corporate culture and the employee experience, we believe injury rates are an important signal of the operational quality of a company and financial materiality. As a result, MFS regularly engages with portfolio companies regarding total recordable incident rates (shown here), lost time injury rates and fatalities. The trends in those rates are also analyzed.	

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

MFS Policy on Responsible Investing and Engagement

At MFS, the consideration of PAIs of investment decisions on sustainability factors is linked to the consideration of sustainability risks. MFS believes that ESG factors, including sustainability risks, should be integrated into our investment decision-making process alongside traditional economic factors to the extent we believe that such ESG factors may be financially material to and have a long-term economic impact on an issuer's value

and expected investment returns. This is based on the MFS Policy on Responsible Investing and Engagement which provides the framework for the incorporation of financially material ESG factors into investment decision-making. MFS' integration of ESG factors is primarily focused on equity and fixed-income securities, which account for almost all of MFS' assets. Information on this policy is available on www.mfs.com. In summary, this policy applies to MFS investment professionals that manage MFS Lux Portfolios. In integrating ESG factors into their analysis, MFS investment professionals adhere to the following general principles:

- they will consider the financially material risks and opportunities, including ESG-related risks and opportunities, facing an issuer;
- they will analyze an issuer's performance on ESG issues by evaluating data, management commentary and controversies that they believe are likely to have long-term economic impact on a security's value; and
- they will seek to understand financially material ESG risk at a strategy or portfolio level.

The extent to which an individual member of our investment team considers any ESG factors in their fundamental investment analysis depends on a number of variables, such as the investment strategy, the types of securities held (e.g. equity vs. fixed income), duration of the investment, regional and geographic exposures, and the team member's analysis of specific ESG issues and their financial materiality in regard to the issuer being evaluated.

As explained above, in integrating ESG factors, MFS may also consider principal adverse impact indicators as indicated above and / or incorporate certain indicators within the characteristic in MFS Portfolios designated as Article 8 under SFDR.

Data Sources

Sustainability issues are complex, interconnected and evolving too quickly for a single rating or data point to reflect the full extent of sustainability-related risks and opportunities facing a company or investment. There are still many inadequacies when it comes to the availability and comparability of ESG data, which is one reason MFS believe there is no substitute for in-depth issuer analysis. The assessment of materiality cannot be automated. The availability, quality, consistency and comparability of ESG data is improving (albeit from a low base). So far, MFS has not been able to identify a single provider with high quality data on all the material ESG considerations. Therefore, MFS has chosen to take a best-of-breed approach, seeking to identify and acquire the best-in-class data on an issue. As a result, MFS draws data from numerous third-party ESG data providers and a diverse group of nongovernmental and other organizations. These organizations provide ESG-related data, company and issuer analysis and ratings, and sector and country analysis. MFS also receives research support from a large and growing number of sell-side ESG investment analysts.

The table below provides list of the main ESG data providers that MFS has engaged.

ESG Data Provider	E	S	G	Controversies	Overview
MSCI-ESG Research	√	√	√	√	Broad-based provider of ESG metrics and provider of aggregated scores. We use this underlying data as an input into our fundamental research and investment decision making. As of reporting year 2025, we use MSCI for PAI reporting.
S&P/Trucost	√				Widely recognized as a market leader in providing carbon emissions data on companies and issuers. We currently have data from TruCost feeding into our research notes and use their data in the ESG Dashboard.
RepRisk				√	Uses a quant or AI approach in scoring ESG risks. It is a controversy aggregator with broad coverage.
ISS	√	√	√		Provides quality ESG data used in our proxy voting process.
Glass Lewis	√	√	√		Provides ESG data used in our proxy voting process.
Bloomberg	√	√	√	√	Has higher-quality social metrics (such as worker safety and employee turnover) than many other broad providers and has more for fixed income investors.
RisQ	√	√	√		Provides ESG data for municipal bonds.
Clarity AI (until 2024)	√	√	√		Primarily aimed at ESG reporting for clients and regulators; provides off-the-shelf reports on regulations such as SFDR which we utilized for PAI statements from 2022 to 2024. From 2025 onwards, we transitioned to MSCI as above.

Margin of Errors

The methodology to identify PAI is always subject to data availability and quality. We are reliant on the quality of data received from investee companies and third-party data providers. To the extent possible, data reported by investee companies is prioritised. This is done in order to minimise the reliance on third-party estimations, contributing to improving the overall quality of the data we use as input in our investment and active ownership processes. Where reported data is not available or of adequate quality, we use proxy data provided by third-party data providers. A limitation in terms of data availability is that we may not be able to gather the same level of information about the impact of indirect investments, such as fund-of-fund investments and certain derivatives. In addition, ESG-related information generated by third-party data providers may be inaccurate, incomplete, inconsistent, and out-of-date, which may adversely impact an investment professional's analysis of the ESG factors relevant to an issuer. The impact reported above does not include impact of certain holdings for which data is not available and could not be obtained on a best effort basis or estimated.

MFS Proxy Voting Policy and Procedures

MFS incorporates ESG issues into our ownership practices primarily by considering ESG issues when voting securities owned by our clients for which we have been delegated voting authority. In integrating ESG factors into our exercise of voting rights, we generally support proposals relating to ESG issues that we believe are in the best long-term economic interest of MFS' clients. Information on MFS Proxy Voting Policy and Procedures is available in on www.mfs.com.

Engagement policies

Engaging with issuers is an important component of the MFS investment approach. In the ordinary course of our process, MFS investment professionals raise ESG related issues, among other issues, during meetings with management of investee issuers and prospective investee issuers where they believe the discussion can enhance our understanding of the issuer's practices and goals to enhance shareholder value. Our dedicated ESG analysts will also often highlight particular ESG related issues that MFS investment professionals can incorporate into their discussion with management of issuers. Examples of potential engagement topics include: (i) corporate governance matters, including the level of independence of the board, shareholder-friendly orientation of managers and executive compensation; (ii) labour relations and worker safety; (iii) environmental stewardship and related safety controls and risk management; and (iv) interactions with local people groups, governments, and non-governmental organizations. Similarly, members of our stewardship team, generally in conjunction with our industry analysts and portfolio managers will also engage with an issuer or another shareholder when we believe that the engagement will enhance our understanding of certain matters on the company's proxy statement. Some of the topics we discuss with issuers include: executive compensation, director accountability, and shareholder proposals on various ESG issues. We may also engage with an issuer in advance of its formal proxy solicitation to discuss our thoughts on certain contemplated proposals involving ESG matters.

For further information on our approach to engagement, please refer to the MFS Lux Engagement Policy Statement on www.mfs.com.

References to international standards

MFS participates in organizations, initiatives, and other collaborative industry efforts to enhance MFS' knowledge of specific sustainability issues or to further sustainability-related initiatives that MFS deems materially impactful to its investment decisions. For example, MFS is a signatory to the Principles for Responsible Investment (PRI), among other sustainability-related organizations and initiatives. The requirements for participation in these organizations and initiatives vary, and certain organizations, initiatives and efforts require a commitment from MFS to adopt a framework for achieving the aims of such organization or initiative. MFS believes that climate change, the policies designed to combat it, and consumer or other shifts that occur because of society's efforts to mitigate its effects could materially impact the value of an issuer. As such, MFS seeks to achieve net zero carbon emissions ("net zero") for a designated portion of its assets under management by 2050. Except where stated below, we do not use PAIs to measure the adherence or alignment with the goals of these organizations and initiatives.

For a more complete list of the organizations and initiatives that MFS participates in, please refer to the MFS Annual Sustainability Report.

MFS will not introduce investment restrictions or goals solely for the purposes of meeting MFS' commitments under external organizations or for the purposes of reaching net zero. MFS' participation in these organizations or initiatives and its net zero target is subject to its fiduciary responsibilities and therefore MFS may fail to act or may take actions that are inconsistent with the purpose, goals or aspirations of these organizations or initiatives if, in MFS' judgment, it is in the best economic interests of its clients to do so.

Our approach to achieving net zero alignment is based on engagement, not exclusion. By effectively engaging with the companies in which we invest, we can manage the overall climate-related financial risks within portfolios while also helping relevant industries recognize the risks and opportunities associated with the transition and related decarbonization efforts. Our climate engagements are prioritised based on a number of factors including the consideration of GHG emissions and intensity (i.e. PAIs 1, 2 and 3). S is in the process of evaluating various scenario analysis tools but is of the view that outputs have not led to additional insights beyond those already generated by MFS bottom-up fundamental research. This project will remain a priority, however, as MFS continues evaluating and assessing potential service providers.

Historical comparison

Please note that for this reporting reference period (1 January 2025 to 31 December 2025), the denominator used to calculate each PAI (as applicable) is based on 'all investments' in the MFS Lux Portfolios to ensure consistency with the ESA Q&A on SFDR.

There may be year-over year changes to some figures provided above due to a change in ESG data provider that MFS used to compile your 2025 periodic report, which was MSCI. The PAI data referenced in the previous periodic reports were compiled with data provided by another third party vendor, Clarity AI. As the provision of ESG data continues to develop and evolve, we made the decision to transition from Clarity AI to MSCI. ESG data is a complex field – one of the structural features of the ESG data market we have observed is that ESG data providers have their own methodologies in how they source, interpret, apply and present such data. A copy of the MSCI methodology document is available on request. For this report, we would highlight the following:

Non-renewable energy consumption and production

Previous reports showed non-renewable energy consumption and non-renewable energy production separately. The 2024 values were:

- non-renewable energy consumption: 79.19%; and
- non-renewable energy production: 0.00099%.

For 2025, MSCI presents this PAI as a single value of 58.22% for the “share of non-renewable energy consumption and production” in contrast to Clarity’s approach which shows this PAI separately as consumption and production values.

Energy consumption intensity per high impact climate sector

Please note that we have not reported on total value across all sectors or sector A for 2025 as MSCI do not report on these metrics. The year-on-year movement in PAI 6 should be interpreted in light of the change in ESG data provider from Clarity AI to MSCI. Although both providers report energy consumption intensity for high-impact climate sectors under the SFDR framework, the 2024 Clarity AI output included both an aggregate figure and sector-level values and used a mix of reported and estimated data. The 2025 MSCI output is presented at NACE sector level only and is based on reported data for a lower-covered portion of the portfolio. As a result, the change may reflect provider methodology, data coverage, reported-versus-estimated data treatment and source-data differences, as well as any changes in portfolio holdings or issuer-level energy data

Correction: the calendar year 2023 report noted that 'all investments' was used as the denominator when in fact 'only relevant investments' was used.

PAIs 7 (Activities negatively affecting biodiversity), 8 (Emissions to water) and 9 (Hazardous waste ratio)

Certain year-on-year movements in PAIs 7 (Activities negatively affecting biodiversity sensitive areas), 8 (Emissions to water) and 9 (Hazardous waste ratio) should be interpreted in light of the change in ESG data provider from Clarity AI to MSCI. Although the headline SFDR indicators are the same, the underlying data basis differs. For Activities negatively affecting biodiversity sensitive areas (PAI 7), the 2025 MSCI figure reflects MSCI’s assessed biodiversity screening methodology, while the prior-year Clarity AI figure reflected Clarity AI’s own controversy, exposure and analyst-review approach. For emissions to water (PAI 8) and hazardous waste ratio (PAI 9), the 2025 MSCI figures are based on reported data for a lower-covered portion of the portfolio, whereas the prior-year Clarity AI figures included a material proportion of estimated data. As a result, these year-on-year changes may reflect provider methodology, source data, data coverage and reported-versus-estimated data treatment, as well as any changes in portfolio holdings or issuer-level data.