

EFFECTIVE DATE: JANUARY 1ST, 2022



Exclusion Policy



1 Introduction

1.1 Objectives

At Fidelity International we believe that high standards of corporate responsibility generally make good business sense and they have the potential to protect and enhance our clients' investment returns. This is why our analysts and portfolio managers take environmental, social and governance (ESG) issues and the impact that they may have on investment risk or return into account when they make an investment.

1.2 Scope of Policy

This Policy is applicable to FIL and its subsidiaries ("FIL" or "Fidelity International") except for the Canada investment entities. All permanent or temporary staff, contractors, consultants, agents, vendors or third parties working on behalf of entities within the scope of the Policy must comply with applicable requirements. If any local or legal variations are required, they will be included in approved Policy Supplements.

1.3 Related Documents

This Policy defines the principle requirements for an effective exclusion framework throughout the organisation. Our Exclusion Policy forms part of our Sustainable Investment Policy which can be found on our websites. In addition, procedures are in place to provide information and instructions on how the requirements outlined in policies are met.

1.4 Penalties for Non-Compliance

A failure to adhere to the requirements of the Policy could lead to FIL breaching its regulatory obligations with the possibility of sanctions being applied.

In the event that a failure of the Policy is detected, it must be recorded and escalated as a risk event in the enterprise risk system in a timely manner.

Serious violations can result in disciplinary action, including termination of employment of relevant staff to whom the failure is attributable.

2 Policy Requirements

2.1 Exclusion Strategy

We adopt a principles-based approach to ESG matters and as part of this we place companies which we regard as unsuitable investments on an Exclusion List. When deciding on whether or not to exclude a company we are guided by international treaties and conventions including the Convention on Cluster Munitions, the Biological Weapons Convention, the Chemical Weapons Convention, the International Convention on the Prohibition of the use of, stockpiling, production and transfer of Anti-Personnel Mines, the Treaty on the Non-Proliferation of Nuclear Weapons, guidance from The United Nations, The World Bank and other global authorities which uphold ESG principles.

2.2 Scope of the Exclusion List

We will screen all our actively or systematically managed funds in all asset classes and segregated mandates, (unless specified or agreed otherwise with the client) using our Exclusion List.

We don't apply the list to:

- Purely passively managed "tracker" funds,
- Funds and segregated mandates managed by Fidelity Canada,

- Funds sub-advised to another entity including FMR/FIAM/GEODE,
 - Investments in third party managed funds, and
 - Funds that we do not manage but which may be available on one of our investment platforms like FundsNetwork.
- Derives more than 5% revenue from nuclear weapons
- Includes issuers that produce exclusive delivery platforms/components only

If a company has confirmed that they are planning to divest a business unit or discontinue any business activities which fall within the exclusion criteria, we will not include it on the Exclusion List but will continue to monitor the company to ensure that they follow through on the divestment.

The Exclusion List includes:

- Those issuers with involvement in the following categories of controversial weapons the use of which is prohibited by international treaties or conventions:
 - Cluster munitions
 - Landmines
 - Biological weapons
 - Chemical weapons
 - Blinding laser weapons
 - Incendiary weapons
 - Non-detectable fragments
- Nuclear weapons for non-signatories of the Treaty on the Non-Proliferation of Nuclear Weapons, specifically
 - Manufacturers of nuclear warheads and/or whole nuclear missiles
 - Manufacturers of components developed and/or significantly modified for exclusive use in nuclear weapons

2.3 Roles & Responsibilities

The Sustainable Investing Team oversees the implementation of the policy. They use third party tools to screen the investment universe and then undertake a series of assessments against the exclusion criteria which identify issuers that could be categorised for potential exclusion.

The Sustainable Investing Team consults with **the Research Team** to validate or assess these issuers in more detail and to ensure the most current perspective is reflected. The Exclusion List is then finalised and on a quarterly basis is submitted to **the Sustainable Investing Operating Committee (SIOC)** for review and approval.

Once the Exclusion List has been approved **the Investment Compliance Team** is notified and will implement hard halts into the trading system. Any holdings within in-scope funds will be divested within three months.

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