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# Exclusion Policy Framework

Fidelity™ INTERNATIONAL

## Introduction

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. Our Exclusion Policy forms part of our Responsible Investment Policy which can be found on our websites.

## Our Policy and Principles

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 conventions particularly the Convention on Cluster Munitions, the International Convention on the Prohibition of the use of, stockpiling, production and transfer of Anti-Personnel Mines, guidance from The United Nations, The World Bank and other global regulations which uphold ESG principles.

## Scope of the Exclusion List

We will screen all our actively managed funds in all asset classes and segregated mandates, (unless the client specifies otherwise) using our Exclusion List. We don't apply the list to passively managed "tracker" funds and it won't apply to funds that we do not manage but which may be available on one of our investment platforms like FundsNetwork.

The Exclusion List includes those companies which actually use, stockpile, produce or transfer Cluster Munitions and Anti-Personnel Mines, but not companies whose business activities or products only have the potential to be used for these purposes and where these activities or products have not been undertaken or created with these uses in mind.

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.

## How our Exclusions Policy Operates

Fidelity International's in-house ESG team, in conjunction with external data, tools and research providers, undertakes a series of ESG themed assessments which identify companies within our investment universe that could be categorised for potential exclusion.

The ESG Team discusses these with the in-house Research Team to screen these companies in more detail against our ESG principles to establish a provisional Exclusion List, which is then submitted to Fidelity International's ESG Oversight Group for approval.

This group meets every six months to review the list and approve any changes, but meetings are convened as required to add or remove companies from the list in the event of a change in circumstances. The Exclusion List is submitted to the Fidelity Board for final ratification.

Once a company is placed on the Exclusion List, we will divest any holdings from our actively-managed funds as soon as practicable and notify the company of their exclusion from our investment universe. Fidelity International's Investment Compliance team monitors adherence.