

Modern slavery statement

May 2021

**Federated
Hermes** 
International

www.hermes-investment.com

1. The international business of Federated Hermes – Modern Slavery Statement

At the international business of Federated Hermes, we are committed to running our business responsibly. We endeavour to uphold high ethical principles and to respect human rights. We do our best to encourage high standards in our business and supply chain. In this context, we use the requirements set out in the Modern Slavery Act 2015 (the “Act”) as an opportunity to review the way in which we operate our own business, together with the way that we interact with others, including our clients and suppliers. We have also considered the area where we have the ability to make the most impact – our investments. Our objective is to ensure that there is no modern slavery or human trafficking in any of our business dealings.

2. About the international business of Federated Hermes

This Modern Slavery Statement is made by Hermes Fund Managers Limited (“HFML”) on behalf of itself and its subsidiaries (including but not limited to Hermes Investment Management Limited), and Hermes GPE LLP, for the financial year ending 31 December 2020. HFML, its subsidiaries and Hermes GPE LLP are referred to throughout this Statement as “the international business of Federated Hermes”.

The international business of Federated Hermes is majority owned by Federated Hermes, Inc. (previously named Federated Investors, Inc.). BT Pension Scheme retains a minority stake in the international business of Federated Hermes, alongside members of the international business of Federated Hermes’ management.

Our new brand launched in February 2020, when Federated Investors, Inc. combined names with HFML and rebranded as Federated Hermes, Inc. (“Federated”), changing its New York Stock Exchange ticker symbol from FII to FHI. All activities previously carried out by HFML now form the international business of Federated Hermes.

This was a natural step in the development of Federated and HFML, which operates Hermes Investment Management Limited. Since Federated became the majority owner of HFML in 2018, we have been united by a shared commitment to client-centric responsible investment and long-term business growth. Our brand has evolved, but we still provide the same distinct investment propositions, deep integration of responsibility and industry-leading stewardship capabilities for which we are renowned.

This rebranding strengthened our position as a global leader in active, responsible investment.

Guided by the conviction that responsible investing is the best way to create long-term wealth for investors, we provide specialised capabilities across equity, fixed income and private markets, in addition to multi-asset and liquidity-management strategies. Through our world-leading

stewardship services, we engage companies on strategic and material environmental, social and governance (“ESG”) concerns to promote investors’ long-term performance and fiduciary interests. Our goals are to help individuals invest and retire better, to help clients achieve better risk-adjusted returns, and, consistent with client objectives and applicable requirements, to strive to contribute to positive outcomes in the wider world.

We always endeavour to meet our legal and regulatory responsibilities, conducting our business with the highest standards of integrity and honesty, and we expect all employees to maintain the same standards. We consider any failure to achieve these standards as a serious matter.

As of 31 December 2020, Federated Hermes had £453.0bn in assets under management and £938.5bn in assets under advice.

3. Our business & supply chain

The international business of Federated Hermes currently employs 509 permanent staff and 23 contractors, most of whom are based in London with some staff also located in Singapore, Ireland, Germany, Denmark, Spain, Switzerland, Australia and the US. We outsource both material and other functions to service providers and in some cases this involves employees of our service providers working onsite in our offices. We also use several professional services firms including lawyers and accountants and we have contracts with suppliers to receive brokerage services. Additionally, we purchase a variety of products, including IT hardware and corporate branded merchandise (including clothing). Some of our suppliers – in particular in relation to our Real Estate business – operate in sectors identified by the International Labour Organisation as high-risk for modern slavery, and we therefore recognise the importance of appropriate levels of due diligence in relation to our supply chain.

We are a signatory of the UN Global Compact and completed our third [Communication on Progress](#) in August 2020. This includes reporting on our policies and actions in relation to the Principles 1 and 2 of the UN Global Compact, which relate to human rights.

a) Culture and behaviours at the international business of Federated Hermes

Our Code of Business Conduct and Ethics sets forth certain minimum expectations that Federated Hermes has for all employees. Employees are expected to conduct the firm’s business in full compliance with both the letter and the spirit of the law and any other policies and procedures that may be applicable to them. This includes the Act.

At Federated Hermes we have a strong culture of responsibility and believe that it is a far wider concept than just shareholder engagement. We believe we should lead by example, and we have therefore created the Federated Hermes Pledge, an expression of our commitment to always act responsibly and transparently. This was established by the international

business of Federated Hermes and has now been adopted by the entire business. The Federated Hermes Pledge (see Appendix 1) makes clear our commitments, obligations and responsibilities as an organisation and as individuals. Federated Hermes is committed, in the way that it interacts with others, to treating everyone fairly, and with dignity and respect. We expect all of our employees to match this commitment throughout their day-to-day work and activities.

The international business of Federated Hermes has also articulated a set of behaviours innate to our culture that contribute to the success of the business. In 2020, we updated our behaviour framework to more explicitly set out the behaviours that are the visible manifestations of our Pledge. Every employee has a responsibility to act in a way that upholds our core behaviours through their day-to-day activities. All individuals are rated in equal measure on their behaviours and on their technical performance as part of the performance management process, to encourage a focus on meeting the needs of our clients and beneficiaries and supporting our commitments to society and to the environment. Individuals will be highly rated if they perform successfully while embodying our behaviours as conveyed in the Pledge. Where relevant to specific roles, ESG objectives are embedded into this process.

The Code of Business Conduct and Ethics, the Federated Hermes Pledge and our behaviours support our efforts to ensure we act as a transparent, responsible and ethical business. We believe this will help us to identify and hopefully prevent instances of human exploitation in our business dealings. In 2019, the Financial Conduct Authority (“FCA”) introduced the new Senior Managers and Certification Regime (“SMCR”). This introduced new Conduct Rules for staff. The rules include a requirement to act with integrity; to act with due skill, care and diligence; and to observe proper standards of market conduct. Senior Managers are also subject to an additional set of Conduct Rules. All staff at the international business of Federated Hermes receive regular training on these Conduct Rules.

b) Protecting employees

Background checks are conducted on all new members of staff to ensure they have the right to live and work in the relevant jurisdictions.

We encourage open communication, in keeping with the Federated Hermes Pledge, and regard integrity as a central part of our beliefs. We encourage employees to bring any concerns to the attention of their immediate supervisor or manager. To that effect, we have a Whistleblowing policy in accordance with the Public Interest Disclosure Act 1998 (“PIDA”) – also referred to as ‘The Whistleblowers’ Act’ in the UK and the Whistleblower program in the US – which stipulates that employees are legally protected from dismissal or unfavourable treatment by their employers as a result of raising concerns. Employees and our supply chain can raise concerns around any suspicions of, or any circumstance that may give rise to an enhanced risk of, modern slavery or human

trafficking. Employees may also report such matters directly to the Head of Strategic Risk and Compliance or the Chairman of the international business of Federated Hermes. However, we recognise the difficulty in reporting through internal channels and that employees may prefer to remain anonymous. To that effect, we also provide several secure, anonymous reporting routes via a hotline and online reporting.

All statutory requirements of minimum pay are met across our offices. Since 2012, the international business of Federated Hermes has been accredited as a Living Wage employer, affirming its commitment to provide all employees and on-site contracted staff in the UK with compensation and benefits at or above the London Living Wage. As an accredited employer, we ensure that all employees are paid at a minimum the London Living Wage which is an hourly rate, set independently every year. As part of our accreditation as a London Living Wage employer, we also contractually require our service providers who have staff working onsite in the London office to pay the London Living Wage or more. This ensures that all employees and contractors can meet the costs of living in London.

c) Procurement & Suppliers

At the international business of Federated Hermes, we are committed to running our business responsibly. This requires high standards to be maintained within our supply chain. Our procurement processes apply across all offices of the international business of Federated Hermes. We have a Supplier Code of Conduct, available on our website, which we ask all new suppliers to sign. Please see Appendix 2 for an extract of our Supplier Code of Conduct. We promote best practice for Sustainable Procurement and ask suppliers for evidence of their sustainable procurement practices covering the following core areas: environmental, social, diversity and inclusion, economic and governance.

Like many of our peers, our supply chain is large and complex, with multiple layers and across many industries. We have considered how our business operations may be affected by modern slavery issues. Where necessary, increased levels of due diligence are performed to ensure suppliers not only deliver a quality service, but also manage risks. Basic due diligence is performed on all suppliers through policies, tax facilitation questions, plus finance and compliance monitoring. We endeavour to use suppliers that have values aligned to our own.

As part of the basic due diligence checks, all suppliers are screened at onboarding and on an ongoing basis to identify any adverse information or sanctions that may suggest our suppliers are not acting in accordance with this code or are designated under Global Human Rights Sanctions regimes. Certain supplier arrangements that are deemed to be material outsourcers are subject to enhanced due diligence and on-going monitoring on a quarterly basis. This includes carrying out periodic onsite due diligence with our material and outsourcing suppliers. In 2018, we added modern slavery to the scope and suppliers are requested to provide

information on how they manage modern slavery risks within their own supply chains. In addition to performing due diligence on our suppliers, we also perform due diligence on other business relationships with investors and investees as part of our Know Your Customer checks to identify areas of higher modern slavery risk.

4. Responsible investment and ownership

As a leading investment management house, we invest in a vast range of public and private markets across the globe. Although the Modern Slavery Act does not, strictly speaking, require us to consider our investments for the purposes of this Statement, our position as an investor gives us an opportunity to exert influence over other businesses and it is a responsibility that we recognise and which is encouraged by the Organisation for Economic Cooperation and Development ("OECD").

Since our 1983 inception, our purpose has been to deliver sustainable wealth creation for investors: generating wealth through investments that enrich investors over the long term and as a result society at large. We do this through the consideration and stewardship of social and environmental impacts in our investments as well as advocacy on behalf of investors. Effective stewardship that enables responsible ownership is a core component of our unique investment approach. As a high-active-share investment manager, we employ two mutually reinforcing strands of responsible investment management: responsible investment and responsible ownership.

With our past and future aims firmly based around a long-term and responsible approach, our structure provides the benefit of access to a broad range of dedicated, high conviction investment teams, combined with an established and robust operating platform. Our engagement team, EOS at Federated Hermes ("EOS"), enables institutional asset owners around the world to meet their fiduciary responsibilities and become active owners of public and private companies.

As responsible investors, we take a holistic approach that integrates material ESG considerations and engagement insights alongside traditional performance factors into all our investment products. This allows our fund managers to assess an asset's potential to deliver long-term sustainable wealth whilst actively mitigating ESG risks and capturing the investment opportunities arising from these considerations.

Our [Responsible Ownership Principles](#), which we developed in 2002 and updated in 2010 and 2017 by drawing on our extensive experience as an active and engaged owner, set out a number of expectations which we believe should exist between owners, boards and managers to create a framework for communication and dialogue. These principles include expectations around relationships with stakeholders, workers and human rights. Companies are expected to ensure that they respect the human rights of those affected by their operations and their value chains. They should develop plans

to identify and manage these human rights risks to minimise adverse and encourage positive human rights outcomes. At the very least, companies should not only obey the law but respect the human rights of those affected by their activities and be open about and prepared to discuss the impact of their activities.

Research and analysis by all of our investment teams includes an evaluation of performance on strategy, financials, risk and material ESG factors, and the overlaps between these elements. The teams supplement fundamental financial analysis with information provided through a range of proprietary ESG and engagement tools, qualitative analysis and the insights gleaned through engagement. Our dedicated Responsibility Office – which reports directly into our CEO via the Head of Responsibility - works with all investment teams across all asset classes to support them in integrating ESG and engagement insights into their investment decisions and the monitoring of investees.

a) Public markets

For public markets, the firm's proprietary ESG tools are of particular note. Our ESG Dashboard includes our proprietary Quantitative ESG ("QESG") Score and identifies stocks with positive ESG characteristics and/or stocks demonstrating positive ESG change. The QESG score captures how a company manages its ESG risks and whether it is improving. This includes information on human rights issues. The Portfolio Snapshot allows us to observe the aggregate ESG risks across our portfolios relative to their benchmarks. It also examines ESG ratings and controversies and identifies contingent risks. Our portfolio managers use this tool to evaluate a strategy's ESG performance over time. It also provides insights into engagement and the progress made, and our voting choices relative to the benchmark. Through these tools, along with additional EOS engagement information, the public-equities and fixed-income teams have access to third-party ESG data, as well as insights on engagement carried out by EOS with investee companies and the broader investable universe. These sources are a valuable input to the investment process, as well as to the ongoing monitoring of and engagement with companies.

Since first engaging for stronger corporate governance in 1983, we have built a compelling story for responsible ownership. Insights from engagement with company management, boards, subject specialists and other shareholders and stakeholders – including the extent of engagement progress – is a key input into our investment strategy. Such engagement is carried out both by our investment teams and by our stewardship business EOS on their behalf.

Through EOS – one of the largest stewardship resources of any fund manager in the world – we engage companies on strategic and material ESG concerns to promote investors' long-term performance and fiduciary interests. EOS offers a shared service model, engaging on behalf of both the international business of Federated Hermes and third-party

clients. EOS provides a platform for like-minded investors to pool resources, creating a powerful force for positive change. The team works on behalf of long-term global investors who entrust us with the stewardship of approximately £938bn/€1.0tn/\$1.3tn of assets (as at 31 December 2020) invested in over 10,000 companies worldwide. Working in support of shared goals means we can have a more meaningful impact on the issues of most importance to our clients.

EOS engaged with 1,245 companies worldwide in 2020 on 3,942 identified environmental, social, governance, strategy, risk and communication issues and objectives, as well offering voting recommendations for over 11,000 company meetings.

EOS engages in active stewardship on behalf of Federated Hermes and third-party clients, providing voting recommendations for AGMs and other shareholder gatherings to achieve our clients' responsible ownership aims and fulfil their fiduciary duty to be active owners. EOS also screens clients' aggregate holdings for ESG characteristics. Our Controversial Companies Report highlights to subscribing clients those companies which are considered to be in violation of internationally recognised guidelines, and provides insight into the nature of those guideline violations and a view on engagement with the company on the issues. The list identifies companies that are either in breach of or likely to breach the UN Global Compact Principles. This includes principles relating to human rights and labour, in particular UN Global Compact Principle 4: 'the elimination of all forms of forced and compulsory labour'. The report also highlights for each company where we are engaging on these issues.

EOS engages with companies on human and labour rights to ensure they respect all human rights linked to their operations, products and supply chains, including through the provision of affordable essential goods and services to help reduce poverty and ensuring no forced labour. We encourage companies to apply the UN Guiding Principles ("UNGP") and to carry out appropriate due diligence which seeks to identify forced labour indicators, such as potential exploitation of migrant workers in supply chains.

The international business of Federated Hermes generally favours engagement over exclusion, as we believe that having a seat at the table gives us greater power to influence than exclusion and divestment. For example, in 2020 we challenged one global catering company on the effectiveness of its actions to uncover modern slavery across its business or supply chain. Only one incident was found, via the press, which reported that one of the company's UK meat suppliers did not comply with working hours and practices. The supplier was reinstated after investigations and rectification. The company was able to demonstrate that policies, controls, reporting and training frameworks were in place. However, it acknowledged our concerns and said it was striving for continuous improvement.

We have two staff members working full-time on public policy in the Responsibility Office. This includes the Head of Policy and Advocacy, whose team works with staff across the firm to ensure advocacy work is well informed, relevant and

impactful. EOS also has a comprehensive programme of engagement with legislators, regulators, industry bodies and other standard setters to help shape capital markets. The result is an advocacy policy that aims to lead rather than follow the policy debate. The following are some case study examples of our related engagement work from 2020:

- We provided feedback to the Investor Alliance on the development of an Investor Toolkit for Human Rights. We joined a collaborative investor initiative called 'Find it, Fix It, Prevent It' focused on increasing the effectiveness of corporate action against modern slavery and engaged with companies as part of this group. The International Labour Organization estimates that 25 million people globally are in a condition of forced labour. Many of these people appear in companies' supply chains, and half of them are exploited through debt bondage. Migrant workers are particularly vulnerable through the payment of recruitment fees.
- We were signatories of a joint investor letter to companies with potential links to migrant workers in the United Arab Emirates who found themselves without work, shelter or a way home after losing their contracts due to the economic impact of Covid-19. We discussed this with a catering company, which worked hard to provide support until borders re-opened, while ensuring that there was constant communication with teams on the ground.
- As part of the Australian Institute of Superannuation Trustees' virtual 2020 conference, we took part in a panel discussion on the requirements of Australia's new Modern Slavery Act. We highlighted how companies and funds can embed modern slavery due diligence into their operations and value chains, take action to identify abuses and provide remedies, engage with suppliers or investment companies, and report transparently about these activities.
- We are an investor signatory of the Workforce Disclosure Initiative ("WDI"), which calls for transparency from companies on how they manage workers in order to improve the quality of jobs in the operations and supply chains of multinational companies. In 2020 EOS co-hosted a thematic workshop on the changing landscape of human rights due diligence and workforce reporting in the context of Covid-19 with the WDI. EOS presented its engagement approach on human capital and labour rights and shared our engagement experiences of company actions as a result of the ongoing pandemic and the impact on the workforce. We also discussed the best way to prepare for upcoming legislation on the topic and the links between company and investor due diligence.



Forced labour

Background

Forced labour in supply chains is among the topics covered by the human rights theme of our Engagement Plan. We expect companies to abide by global standards, such as the UN Guiding Principles on Business and Human Rights, in their treatment of workers. Respect for human rights further underpins a company's wider corporate culture, business ethics and enterprise risk management, all of which affect the creation and preservation of long-term value.

EOS engages with companies to develop business models aligned to the elimination of human and labour rights abuses including modern slavery. We refer to media and civil society reports as well as actively developing important networks, such as the Organisation for Economic Co-operation and Development ("OECD"), the Investor Alliance on Human Rights and the Global Network Initiative to identify high risk regions and priority areas. The risks of not addressing forced labour could be severe for both people and businesses. This is due to potential lawsuits and legal risks associated with human rights abuses; material risks stemming from sanctions, the seizure of goods and the ending of business relationships; and reputational risks from negative media coverage, the filing of OECD National Contact Point complaints, and being subject to third-party investigations.

Example: Xinjiang Uyghur Autonomous Region – Allegations of Forced Labour

EOS has engaged on forced labour in supply chains following detailed and credible reports of alleged human rights abuses of ethnic minorities from the Xinjiang Uyghur Autonomous Region ("XUAR"). The Chinese government denies any ill treatment. In 2020 the US issued a Xinjiang Supply Chain Business Advisory cautioning companies about the risks of supply chain links to entities that engage in human rights abuses, including forced labour, in the XUAR and elsewhere in China. The US Commerce Department also added more Chinese companies that it said were implicated in human rights violations and abuses in connection with the XUAR, to the US economic blacklist¹. Blacklisted firms cannot buy goods and technology from US companies without US government approval.

We engaged with one US manufacturer of farming machinery to learn how these sanctions impacted the company. We asked how it would comply with the

sanctions and how it applied its human rights policy to customers and the use of its products, as its policy only referred to oversight of human rights in the supply chain. The company said that it would comply with sanctions but was still working through how to address the issue of conducting due diligence on its customers.

We followed up by sharing resources on how to approach human rights in high-risk areas, including sharing the UNGP reporting framework. We sought clarity on how the company would expand its human rights policy to include customers and product use, and how it would disassociate responsibly from business relationships potentially connected to a region. We also wrote to some of the companies mentioned in an Australian Strategic Policy Institute report issued in March 2020 that alleged human rights abuses of the Uyghurs and other ethnic minority citizens from the far west region of Xinjiang². The report listed 83 global brands as customers of factories where Uyghurs were allegedly being forced to work.

We requested more information from the companies about the due diligence that had been carried out to determine if there were any indications of forced labour in their value chains. We asked if the companies had found any evidence of this, and what action had been taken, given the relative lack of opportunity for leverage or provision of remedy in the region. We also recommended that companies use the UNGP reporting framework and consider responsible disassociation or using alternative providers where necessary. For 2021, we have identified other companies that could be implicated in this issue.

One of the most progressive responses came from a fashion retailer, which confirmed that it had no Tier 1 or 2 production in Xinjiang and had stopped sourcing cotton from Xinjiang after the Better Cotton Initiative suspended its licensing of cotton from the region in April 2020. The company also contacted all its suppliers in China highlighting that labour programmes where ethnic minority workers were taken to work in factories in China were regarded as forced labour. Subsequently, the company concluded that there was a heightened risk, and as a consequence it ended its business relationship with a mill in another province, which was owned by a yarn producer mentioned in the report.

¹ <https://www.commerce.gov/news/press-releases/2020/07/commerce-department-adds-eleven-chinese-entities-implicated-human>

² <https://www.aspi.org.au/report/uyghurs-sale>

b) Real Estate

In managing real estate assets, we believe that good human capital management, including the provision of fair living wages, robust health and safety practices and investment in training and development programmes, is the foundation of a stable and productive workforce and the maintenance of businesses' social licences to operate. In January 2020, we completed the acquisition of MEPC Limited, a UK commercial real-estate developer and asset manager, from BTPS, a longstanding client and our former majority owner. By adding further expertise in specialist asset management and development management, we have greatly enhanced our real-estate proposition – and particularly our ability to deliver urban-regeneration schemes, which not only provide the opportunity for attractive long-term financial returns but positively impact the environment, communities and local economies in which they are located. MEPC Limited is wholly owned by HFML and operates in accordance with HFML's policies.

We include specific references to the Modern Slavery Act in all of our property management agreements, which have recently been updated and cover the whole of our managed portfolio, and in our Asset and Development Management Agreements. In all new lease agreements we endeavour to include a requirement to comply with the Modern Slavery Act. Across our construction and appointment documents with professional consultants in the portfolio we also endeavour to make specific reference to the Modern Slavery Act, requiring compliance with all relevant legislation. Where this has not already been done, we are working on adding these clauses.

c) Infrastructure engagement

Our engagement with infrastructure portfolio companies, designed to promote continued adherence to the highest ethical standards consistent with performance of the social contract that is at the heart of delivery of essential public services, includes continued assessment of workforce wellbeing. A significant majority of our Infrastructure portfolio companies have published statements or made commitments to that end, some on a voluntary basis. The majority of our portfolio companies are required to publish a Modern Slavery Statement, something we ensure that they adhere to. For smaller assets, we have enshrined commitments to not rely on forced or compulsory labour and ensure adequate labour standards and working conditions in corporate policies dealing with health and safety, inclusion and diversity and supply chain management.

5. Training

We regard training as fundamental to raising awareness of these issues. A copy of our latest Modern Slavery Statement is available to all members of staff and included in all new staff joiner packs.

As a financial services firm, we provide anti-money laundering, terrorist financing and anti-bribery training to all new members of staff across the firm. We will also consider appropriate internal education for our investment teams to help them identify red flags when assessing investment opportunities. We have introduced information on the Act and an overview of our Modern Slavery Statement into the Compliance training for all of our new starters.

Human rights is one of our key themes for our engagement and stewardship work. We have a dedicated human rights theme team which is leading the engagements with companies on this topic, where it is identified as a material ESG consideration. The insights gleaned from our engagements with companies as well as our thinking about human rights as an engagement theme are made available to the investment teams and as such are integrated into the investment decision making process. We also run regular sectoral knowledge sharing sessions between our engagement team and the investment teams, so that the investment teams get a better understanding of the sectors in which human rights practices constitute a material ESG issue.

6. Identification and measurement of our success

By encouraging our staff to speak up if they have concerns about working conditions and by asking our suppliers to agree to our Supplier Code of Conduct, we hope that we are equipped to identify issues of modern slavery and human trafficking, should they occur. In line with the international business of Federated Hermes' investment philosophy, if we do identify issues, we will not automatically withdraw from the relationship or investment. We will seek to engage with relevant stakeholders, with the aim of resolving the issue. We will take a similar approach to engaging with any suppliers where we have concerns in order to encourage full compliance with the Modern Slavery Act.



Saker Nusseibeh, Chief Executive Officer

This Modern Slavery Statement was approved by the board of directors of Hermes Fund Managers Limited on 17th May 2021.

APPENDIX 1 – Federated Hermes Pledge

The Federated Hermes Pledge underpins our firm-wide commitment to always put clients first, and to act responsibly and transparently.

I pledge to fulfil, to the best of my ability and judgment and in accordance with my role, this covenant:

- I will act ethically, responsibly and with integrity.
- I will put the interests of our clients first, consistent with our fiduciary responsibilities.
- I will encourage responsible behaviour in the firms in which we invest and on which we engage.
- I will act with consideration for our community and the environment both now and in the future. I will encourage others to do the same.
- I will work with industry colleagues and other key stakeholders to develop and improve our industry's contribution to society.
- I will treat my clients, my colleagues and all other stakeholders with dignity and respect and as I would wish to be treated.
- I will deal with our regulators in an open, co-operative and timely way.
- I will communicate clearly and honestly with all parties inside and outside our firm.
- I will manage conflicts of interest fairly between all parties.

APPENDIX 2 – Extract from our Supplier Code of Conduct

The international business of Federated Hermes ("Federated Hermes") is committed to strict observance of all laws and regulations, and to the pursuit of honest and fair corporate activities that conform to the norms accepted by society. We aim to provide safe, reliable and efficient services whilst acting fairly and professionally. These values contained within our Modern Slavery Statement underpin our business and the way in which it operates. We consider that these values are wholly in line with our obligations under the Modern Slavery Act 2015 (the "Act"). We have compiled the Federated Hermes Supplier Code of Conduct (the "Code") to achieve our goal of living up to this commitment. It lays down the standards of compliance that we expect and demand of those who supply us to ensure that we live up to our high standards. The term "Supplier" encompasses any kind of contractor, supplier or business partner.

We expect our Suppliers to:

- Comply with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including but not limited to the Act.
- Not engage in any activity, practice or conduct that would constitute an offence under sections 1, 2 or 4 of the Act if such activity, practice or conduct were carried out in the UK.
- Obtain assurances from their direct subcontractors and suppliers that they are complying with all applicable antislavery and human trafficking laws, statutes, regulations and codes from time to time in force including but not limited to the Act and inform Federated Hermes promptly in the event that they find any non-compliance within their supply chain.

Specific examples of actions that our Suppliers must take in order to comply with all relevant legislation include but are not limited to:

- Not using slave labour, illegal child labour, forced, bonded or compulsory labour.
- Ensuring that terms of employment are voluntary.
- Ensuring that the workplace is free from discrimination or physical or verbal harassment.
- Following local laws in respect of health and safety, minimum age requirements, wages, overtime, working hours and the fair treatment of workers.
- Federated Hermes encourages its Suppliers to comply with this Code. The signing of this Code is a commitment from the Supplier to Federated Hermes that they will supply goods and/or services in accordance with this Code.

Federated Hermes

Federated Hermes is a global leader in active, responsible investing.

Guided by our conviction that responsible investing is the best way to create long-term wealth, we provide specialised capabilities across equity, fixed income and private markets, multi-asset and liquidity management strategies, and world-leading stewardship.

Our goals are to help people invest and retire better, to help clients achieve better risk-adjusted returns, and, where possible, to contribute to positive outcomes in the wider world.

All activities previously carried out by Hermes now form the international business of Federated Hermes. Our brand has evolved, but we still offer the same distinct investment propositions and pioneering responsible investment and stewardship services for which we are renowned – in addition to important new strategies from the entire group.

Our investment and stewardship capabilities:

- **Active equities:** global and regional
- **Fixed income:** across regions, sectors and the yield curve
- **Liquidity:** solutions driven by four decades of experience
- **Private markets:** real estate, infrastructure, private equity and debt
- **Stewardship:** corporate engagement, proxy voting, policy advocacy

For more information, visit www.hermes-investment.com or connect with us on social media:

