

Modern slavery statement

A photograph of a welder working on a large steel structure. The welder is wearing a yellow hard hat, a blue long-sleeved shirt, and a high-visibility orange and red safety vest. They are positioned on a complex network of steel beams, with a bright light from the welding process illuminating the scene. The background shows more of the steel framework, suggesting a large-scale industrial or construction project.

June 2023

1. Federated Hermes Limited – Modern Slavery Statement

At Federated Hermes Limited (“FHL”), 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.

The Act defines modern slavery as the offences of ‘slavery, servitude and forced or compulsory labour’ and ‘human trafficking’.

2. About Federated Hermes Limited

This Modern Slavery Statement is made by FHL 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 2022. FHL and its subsidiaries are collectively referred to throughout this Statement as “Federated Hermes Limited”.

In August 2021, Federated Hermes, Inc. (“FHI”) purchased the remaining 29.5% interest of FHL held by the BT Pension Scheme (“BTPS”). Following the transaction, FHI owned approximately 90% of FHL’s shares, with the remainder held by senior members of FHL staff through the FHL Long Term Incentive Plan (LTIP) scheme. On 14 March 2022, FHI completed the acquisition of the remaining 10% stake in FHL, effected by way of a tender offer, with the FHL LTIP plan generally being replaced with the equivalent award of restricted stock in FHI.

Since our beginnings, we have helped clients achieve strong risk-adjusted returns through our specialised equity, fixed-income and private-market strategies and, more recently, our multi-asset and proven liquidity-management solutions. 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 and suppliers to maintain the same standards. We consider any failure to achieve these standards as a serious matter.

As of 31 December 2022, FHL had £40.3bn in assets under management and EOS at Federated Hermes (“EOS”), our leading stewardship service provider, had approximately £1.1tn in assets under advice. EOS offers a shared service model, providing voting recommendations, portfolio screening, public policy and market best practice work and advisory services on behalf of both FHL and third-party clients.

3. Our business & supply chain

FHL had 541 permanent employees and 34 full-time contractors as at 31 December 2022, most of whom are based in the UK with some employees also located in Singapore, Ireland, Germany, Denmark, Spain, Switzerland, Australia, Japan 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, accountants and other contractors and we have contracts with suppliers to receive brokerage services both for FHL and on behalf of our clients. Additionally, we purchase a variety of products, including IT hardware and corporate branded merchandise (including clothing). Some of our suppliers who are appointed on behalf of our clients (in particular in relation to our Real Estate business, including MEPC Limited) 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 report annually. 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 Federated Hermes Limited

Our Code of Business Conduct and Ethics sets forth certain minimum expectations that FHL 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 FHL 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 first established by FHL in 2015 and adopted by FHI in 2018. The Federated Hermes Pledge (see Appendix 1) makes clear our commitments, obligations and responsibilities as an organisation and as individuals. FHL 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.

FHL has also articulated a set of behaviours innate to our culture that contribute to the success of the business and are 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 equally 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, where possible, 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.

At FHL we support and respect the protection of internationally proclaimed human rights. We are committed to preventing and ending all forms of human rights, child labour and modern slavery abuses; and are committed to fostering a work environment that is diverse, inclusive, and free from discrimination and harassment (physical or verbal).

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 all employees. 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. Certain employees who, because of their role are defined as Senior Managers under SMCR, are also subject to an additional set of Conduct Rules. All employees at FHL receive training on these Conduct Rules and have access to an intranet microsite with information on SMCR.

b) Protecting employees

Background checks are conducted on all new employees to ensure they have the right to live and work in the relevant jurisdictions, with periodic checks being repeated throughout an employee's employment.

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 Chief Compliance Officer or the Chairman of FHL. 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, FHL 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 employees 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. We also expect our suppliers in the UK to meet Living Wage Foundation minimum requirements.

c) Procurement & Suppliers

At FHL, we are committed to running our business responsibly. This requires high standards to be maintained within our supply chain. We expect all our Suppliers to meet the minimum standards set out in this Statement and fully comply with all applicable laws and regulations in relevant jurisdictions when conducting business with, and on behalf of, FHL. Our procurement processes apply across all offices of FHL. 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 ESG practices when sourcing, 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 compliance, and ongoing screening of financial stability, conflicts of interest 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 our Supplier Code of Conduct or are designated under Global Human Rights Sanctions regimes. Certain supplier arrangements that are deemed to be material outsourcers or business critical 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 of our due diligence 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”).

From our 1983 inception through to the present day, our purpose has been to deliver sustainable wealth creation for investors over the long-term. We believe there are four mutually reinforcing strands of being a responsible investment manager: ESG-integrated investments; active ownership and management; advocating in beneficiaries’ interests; and behaving as a responsible business. Together, these aim to generate sustainable wealth creation for the end beneficiary investors, encompassing investment returns and their social and environmental impact.

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 enables institutional asset owners around the world to meet their fiduciary responsibilities and become active owners of their assets.

As responsible investors, we embrace high-active-share investing. We take a holistic approach that integrates material ESG considerations and engagement insights into all of our investment products, something that offers our fund managers an additional vantage point with which to assess an asset’s potential to deliver long-term sustainable wealth. We firmly believe that our ability to mitigate ESG risks and capture the investment opportunities arising from these considerations is essential to achieving consistent investment outperformance for our clients.

As signatories to the UK Stewardship Code and in accordance with our [Engagement Policy](#), we are committed to be active owners of the companies in which we invest. Meanwhile, our [Engagement Plan](#) sets out the expectations we have of our investee companies with which we engage. This includes our 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. The dashboard includes a snapshot of what themes that company has been engaged on along with progress made. The **Portfolio Snapshot** allows us to examine 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 FHL and third-party clients. EOS provides a platform for like-minded investors, 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 £1.1tn / €1.3tn / \$1.3tn of AUA (as at 31 December 2022) invested in over 10,000 companies worldwide, working collectively in support of shared goals. This pooling of assets increases the influence we can have with companies, which means we can have a more meaningful impact on the issues of most collective importance to our clients.

EOS engaged with 1,138 companies worldwide in 2022 on 4,250 identified environmental, social, governance, strategy, risk and communication issues and objectives, as well as offering voting recommendations for over 13,814 company meetings.

EOS engages in active stewardship on behalf of FHL, FHI and third-party clients, providing voting recommendations for annual shareholder meetings 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 and labour related rights linked to a company's operations, products and supply chains, including through the provision of affordable essential goods and services to help reduce poverty. 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. Our engagement on supply chain worker rights specifically focuses on aligning company activities with UNGPs; developing an approach to manage risks associated with forced labour, child labour, working conditions, and other relevant issues in its supply chain; and implementing purchasing practices to manage supply chain human rights risks.

FHL 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.

Russian's invasion of Ukraine in February 2022 has devastated cities and displaced a large swathe of the population. Due to human rights risks inherent in armed conflict, EOS began engaging on this issue before sanctions were announced, in the knowledge that these were likely to impact companies later. EOS were also part of the steering group for Advance, the stewardship initiative for human rights and social issues launched by the PRI in 2022. The objective of the initiative is to advance respect for human rights, minimising negative outcomes and driving positive outcomes for people. Other areas of focus include indigenous and community rights, and high-risk regions such as disputed territories or conflict areas. We also engage on digital rights in the virtual world, such as challenges to data privacy rights and freedom of expression.



CASE STUDY

Hon Hai

Hon Hai – also known as Foxconn – is a Taiwanese electronics manufacturer.

We have engaged with Hon Hai since 2014 on a wide range of labour issues, including long hours and monotonous work. For example, we expressed our concern in 2017 following media reports that students aged 17-19 were working long hours and overtime, violating local law.

In engagement, the company acknowledged that there were operational oversight issues. We discussed responsible remedial actions including the termination of the existing student worker programme and raising the working age to the international labour standard of 18, rather than adhering to the local Chinese standard of 16. The company subsequently developed a labour strategy, approved by the board in 2020, which prevented students under the age of 18 from working in production.

We continued to engage on other labour issues, discussing these with the head of investor relations in July 2020. Despite employing over one million people globally, Hon Hai did not have a human capital management strategy. It recognised that staff turnover was high, with most of its human resources work focused on administration, and it was unclear to what extent the issue was on the board's agenda. The company was aware that it needed to adapt to local circumstances. In India, for example, it encountered challenges as the local workforce did not want to reside in factory dormitories.

We introduced several human capital management frameworks and metrics for tracking and disclosure and asked to discuss these with the chief people officer. The company already measured some of these metrics and had some good internal practices, but was concerned about disclosure. It was eager to learn about good practice, however, and we shared the relevant information.

In 2021 we asked the company about the risk of forced labour in and from the Xinjiang Uyghur Autonomous Region (XUAR). It shared a public statement saying that: "... at no time has Foxconn ever had employees in its workforce in any market who have not voluntarily joined our firm. Any allegations to the contrary are categorically false".

The company added that it had carried out an investigation and found some Uyghur ethnic minority workers at its Zhengzhou campus in China, but they had been there for over a decade. It added that it fully complied with the relevant laws and regulations in its code of conduct, which it had recently updated to keep up with good practice. It had asked the Responsible Business Alliance to conduct a Validated Audit Process, which published a report in October 2020 indicating that no workers from XUAR were employed at the time of the audit. The chair made a further statement in May 2021 that the company was committed to promoting and protecting the rights of each worker.

In 2022 there were news reports of worker protests at an Indian site due to food poisoning. We discussed this with the company and were pleased to learn of the quick response to address these concerns and the introduction of an anonymised grievance system. We discussed the importance of building trust so that grievances are raised and asked for more proactive disclosure of the working conditions assessments carried out by Hon Hai's teams, and of the third-party verification.

In May 2022 we were pleased to receive the company's new long-term social goals, which include milestones to 2025 and beyond, including some metrics. The plan addresses important aspects of a human capital management strategy, including human rights and labour standards, opportunities for employee feedback, and inclusion and diversity. Overall, this shows significant progress, and we remain committed to following up with the company on implementation.

 CASE STUDY

Ansell

Ansell is a leading manufacturer of industrial and medical gloves and other latex products.

We had 10 engagement interactions with Ansell in 2022 in addition to more traditional meetings with management. Interactions spanned calls with the chair and CEO, IR, General Counsel and Head of Sustainability in addition to visiting the company's headquarters.

Our primary topic of engagement has been and remains the labour conditions in its single-use glove supply chain (which is 80% outsourced). Several single-use Malaysian glove manufacturers have been subject to import bans from the US as a result of evidence of modern slavery since the beginning of 2020 – a number of whom were suppliers to Ansell.

In response to the greater focus on labour standards, Ansell committed last year to ensuring that no fees are levied for recruitment and the company has revamped its supplier management framework. As of the company's November 2022 AGM \$30m of recruitment fees have been compensated to migrant workers across 98% of their

Malaysian suppliers. They also this past year further committed to supplementing their supplier due diligence with unannounced audits and use of Forced Labour Assessments.

We have the clear impression from our dialogues that the company is taking a much more hands-on, proactive approach to oversight of its suppliers. They will be reducing their supplier list and developing more strategic alliances with trusted suppliers. In addition, in the coming years the company will be insourcing a proportion of this currently outsourced manufacturing. The outcome of this shift in approach should be to reduce the risk of human rights abuses occurring in their name. Ansell will also have greater ability to ensure that decent work conditions are being provided and labour standards adhered to.

Beyond their individual actions, Ansell was also this year one of seven founding members of the Responsible Glove Alliance. This is testament to the company's desire to take a leadership role across its industry, not least when one recognises that there is a need for cross-industry action to address the sector's pervasive forced labour issues.

We have two employees working full-time on public policy in the Responsibility Office. This includes the Head of Policy and Advocacy, whose team works with experts across our 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. For example, we are a signatory and continue to support the work of the Living Wage Foundation in the UK, particularly through the cost of living crisis.

b) Real Estate

Modern Slavery is an area that the team assesses and monitors when managing real estate assets and delivering urban regeneration schemes. 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 including the related supply chain. 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

Our engagement with infrastructure portfolio companies includes continued assessment of social matters considered material to the portfolio as a whole and includes modern slavery, alongside workforce health, safety and wellbeing, diversity, equity and inclusion, fair working conditions and community engagement. We are particularly focused on businesses with significant numbers of employees and/or contractors, as well as businesses with supply chains where modern slavery may be considered a more material risk.

Our engagement is focused on commitment to the principles of the Modern Slavery Act and the application of those principles in policies, controls and processes across companies' workforces and supply chains. In our capacity as an investor in large operational businesses with their own executive management teams, we engage with boards, management, operational teams and contractors to raise awareness, challenge processes and interrogate controls. As an investor in smaller assets with fully (or largely) contracted workforces, we work with our contractors to ensure sufficient awareness, to enshrine 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 and to undertake supplementary due diligence on suppliers where necessary.

d) Private equity

Our private equity team invests both in private equity funds raised by third party managers (GPs) as well as directly into private companies as a minority co-investor in transactions led by funded or partner GPs.

Given this indirect approach to investment, the team rely on the lead GPs to ensure all direct and indirect investments to comply with all applicable regulations including the Modern Slavery Act and only invest with GPs where there is enough comfort on the rigour of their policies and practices including continuing assessment of social risks such as health and safety, safety culture, employee welfare, diversity, equity and inclusion, community involvement, supply chain management and modern slavery.

Ahead of investments in funds, the team assess the ESG policies and practices of each GP and for direct investment opportunities the team assess the ESG risks of each investment and will conduct additional ad-hoc due diligence where relevant. Post- investment all deals are monitored for ESG risks including modern slavery on a quarterly basis.

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 employees and included in all new joiner welcome packs.

As a financial services firm, we provide anti-money laundering, terrorist financing and anti-bribery training to all new employees and then annually 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 supports EOS' 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 employees 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 FHL's 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. There are occasions where small and medium enterprise suppliers bid for work but fall short of our standards on policies and procedures in this area. In such cases, we have offered assistance to help the suppliers to upskill in order to align to our standards.



Saker Nusseibeh, Chief Executive Officer

This Modern Slavery Statement was approved by the board of directors of Federated Hermes Limited on 27 June 2023.

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

Purpose

At Federated Hermes Limited ("FHL") we are committed to running our business responsibly and to upholding the highest environmental, social and governance standards, as well as ethical conduct. We believe we have a responsibility as a business to make the right choices and play our part in acting as a responsible owner, investor and firm, by considering the impact our decisions have on the environment, society and the wider world. We have a mission to promote best practice for Sustainable Procurement and are committed to managing our existing and future Supplier relationships in an ethical, transparent and responsible manner.

Scope and application

This Code outlines the minimum standards and expectations FHL has for all its Suppliers, contractors and business partners ("Suppliers"), including, where relevant, their respective supply chains. Suppliers are responsible for all activities associated with disseminating and educating its employees, affiliates, and subcontractors on this Code, verifying regularly that it is complied with, and acting in response to any areas of non-compliance.

Compliance with the Code, laws and regulation

To drive continuous improvement and to ensure Suppliers are aligned with our commitment to high environmental, social and governance standards and behaviours, FHL will consider a Supplier's performance in line with this Code when making sourcing decisions and through supplier management. When conducting business with, and on behalf of, FHL, we expect our Suppliers to:

- Comply with all relevant laws and regulations in the jurisdiction they operate in
- Not to commit any act or omission that would result in FHL being in breach of any Anti-bribery and corruption legislation
- Comply with the minimum requirements set out in this Code;
- Implement and maintain appropriate procedures and controls to ensure their operations and supply chain operate in line with FHL's requirements and expected standards;
- Promptly advise FHL of any areas of non-compliance with this code;
- Respond to information requests from FHL in a timely manner and provide a true and accurate account of their operations and supply chain when responding to requests.

Environmental Obligations

At FHL, we believe that the investment management industry should be a potent force in making a climate-resilient world a reality. We believe we have a responsibility as an industry, and as a business, to make the right choices and play our part in delivering the goals of the Paris Agreement. As such, we will only conduct business with Suppliers who share our commitment to establish environmentally responsible business practices and proactively improve their own environmental performance. We expect our suppliers to:

- Comply with relevant environmental protection laws, regulations and recognised standards including those related to waste disposal, air emissions, plastics and pollution;
- Take steps to measure, report and minimise the environmental impact of their operations including greenhouse gas emissions, energy consumption, water use and waste generation and require their subcontractors and suppliers to do the same.

Social Obligations

At FHL we support and respect the protection of internationally proclaimed human and labour rights. We are committed to preventing and ending all forms of human rights, child labour and modern slavery abuses; and are committed to fostering a work environment that is diverse, inclusive, and free from discrimination and harassment. We expect our Suppliers to:

- Manage their operations and supply chain in a manner that upholds the United Nations' Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights and the International Labour Organisation's Core Conventions;

- Comply with the Modern Slavery Act 2015 and never use modern slavery practices in their operations or supply chain;
- Fully comply with all applicable laws and regulations relating to human capital management, including when setting employee conditions on working hours, benefits and wages and workplace Health and Safety. In the UK, Living Wage Foundation minimum requirements must also be met;
- Ensure work environments are inclusive and recruitment and employment practices are free from discrimination based on age, religion, culture, ethnicity, gender, sexual orientation, marital status, family responsibilities, disability, or health status of employees, in accordance with law;
- Address any adverse impacts on human rights and/or working conditions, arising from decisions made by the Supplier, as a matter of priority and urgency.

Diversity and Inclusion

At FHL, our mission is to foster and promote a culture of inclusion which celebrates all forms of diversity, enables our people to maximise their potential, and encourages innovation and creativity. We expect our Suppliers to:

- Promote and increase diversity within their organisation and supply chain by seeking equitable, mutually beneficial opportunities with a broad range of businesses, for example: small and medium-sized enterprises (SMEs), social enterprises, women-owned businesses, businesses that support and employ people with disabilities and LGBTIQ+ owned businesses.

Fraud, Bribery and Corruption

At FHL, we fulfil our purpose in accordance with the highest standards of ethics and conduct. We do not tolerate behaviour that is dishonest, illegal, fraudulent, corrupt or unethical. We expect our Suppliers to:

- Employ reasonable measures and controls to ensure that the Supplier's employees and supply chain do not commit fraud, bribery or corruption, or become involved in any such activities;
- Avoid offering or receiving gifts, entertainment or travel that could affect, or be seen to affect, their dealings with FHL;
- Ensure that they do not source goods and services on behalf of FHL from, or transact in their supply chain with any country, entity or person(s) subject to internationally recognised sanctions.

Reputation and brand

At FHL, we are committed to communicating clearly and honestly both internally and externally. FHL seeks to educate and raise awareness of important ESG issues to effect genuine and positive change for our stakeholders, communities and the world. We use external social media platforms responsibly, whilst being clear, honest and respectful of others. We expect Suppliers to:

- Refrain from unprofessional, disrespectful, harassing, defamatory, discriminatory and prohibited activity on social media platforms that may adversely impact upon FHL;
- Not act or speak on behalf of FHL, represent themselves as FHL, or express any views attributable to FHL unless expressly authorised to do so by FHL.

The signing of this Code is a commitment from the Supplier to FHL 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 that benefit the wider world.

All activities previously carried out by Hermes Investment Management are now undertaken by Federated Hermes Limited (or one of its subsidiaries). We still offer the same distinct investment propositions and pioneering responsible investment and stewardship services for which we are renowned – in addition to important 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:

