Aviva Investors UK Fund Services Limited ("AIUKFSL") Responsible Investment Policy

As at 5 December 2023

Aviva Investors maintains a deep conviction that environmental, social, and governance (ESG) factors can have a material impact on investment returns and client outcomes. We believe that being a responsible financial market participant means that our investment approach must support, and not undermine, the long-term sustainability of capital markets, economies, and society. We believe that integration of ESG considerations throughout the investment process can enhance the returns that we deliver to investors.

These views underpin the Aviva Investors Responsible Investment Philosophy, details of which are available here: https://www.avivainvestors.com/en-gb/about/responsible-investment

As part of Aviva Investors AIUKFSL applies this investment philosophy by investing in accordance with this Responsible Investment Policy (referred to as "the Policy"). This Policy summarises the key pillars of our ESG approach and how these pillars apply to the funds we operate.

Note that:

- This Policy sets out AIUKFSL's "house view" with respect to responsible investing. However, unless explicitly stated in a fund's investment objective and/or investment policy, the funds are not managed to achieve a specific ESG or sustainable outcome. This is made clear to investors in our prospectuses.
- For those funds that have specific ESG objectives and/or investment strategies, these approaches are detailed within the prospectus and Key Investor Information Document for the relevant fund.

1. ESG integration

AIUKFSL has delegated the investment management of its funds to sub-investment managers, therefore, the approach to ESG factors will vary depending on whether the investment manager is part of the Aviva Group or is a third-party manager outside of the Group.

For funds managed by AIUKFSL's sister company Aviva Investors Global Services Limited (AIGSL) "ESG factors" shall be integrated into the investment approach in accordance with Aviva Investors Responsible Investment Philosophy as set out in each fund's Investment Policy and detailed in the relevant prospectus. Exceptions to this approach are applied on a case-by-case basis, for example, to an index tracking fund or a fund that is in termination (i.e. where the integration of ESG factors is not appropriate).

Where a fund managed by AIGSL invests into a fund managed by another investment manager, selection of these 3rd party funds will consider the underlying investment manager's ability to demonstrate an appropriate ESG framework, and their consideration of ESG factors in the investment process. However, it is important to note that this does not mean that these 3rd party funds are required to have ESG outcomes, as the third-party investment manager retains discretion over which investments are selected for the underlying fund.

Where AIUKFSL has appointed an investment manager other than AISGL, the ESG policies and procedures of that third-part manager will be assessed (both on appointment and on an ongoing basis) to determine that the manager properly considers ESG factors when making investment decision. However, integration of ESG factors is at the discretion of the investment manager, and if applicable, will be set out in the relevant fund's Investment Objective and/or Policy.

2. Stewardship and Engagement

AIUKFSL will ensure that investment managers appointed to manage its funds operate a voting and engagement policy consistent with the approach of engaging with companies on ESG factors and using voting rights to positively influence company behaviour.

Whilst investment managers appointed by AIUKFSL will apply their own stewardship policy, AIUKFSL will consider the below factors with regard both prospective and appointed investment managers:

(1) integrates shareholder engagement into the delivery of the fund's investment strategy;

(2) monitors investee companies on relevant matters, including;

(a) strategy;

(b) financial and non-financial performance and risk;

(c) capital structure; and

(d) social and environmental impact and corporate governance;

(3) conducts dialogues with investee companies;

(4) exercises voting rights and other rights attached to shares;

(5) cooperates with other shareholders;

(6) communicates with relevant stakeholders of the investee companies; and

(7) manages actual and potential conflicts of interests in relation to the firm's engagement

For those fund's managed by AIGSL details of AIGSL's stewardship policy, AIGSL's voting policy, and AIGSL's annual report on how they have exercised voting rights attaching to investments they manage (including those managed for AIUKFSL), with an explanation of the most significant votes and use of proxy advisers (if any) can be found here:
https://www.avivainvestors.com/en-gb/about/responsible-investment

AIGSL also operates a bespoke engagement program to address Climate related concerns:

AIGSL's Climate Engagement Escalation Program ("CEEP")

In addition to the stewardship and voting policies outlined above, AIGSL also has the CEEP, being a robust escalation process designed to ensure that AIGSL's engagement approach has impact. This reflects AIGSL's view that climate change is the greatest systemic challenge facing society, the global economy and individual companies. Failure to act will have catastrophic and pervasive consequences, including for capital markets and asset valuations. Consequently, climate considerations, with respect to physical and transition risk, are embedded within AIGSL's fundamental investment processes, macroeconomic outlook, asset allocation, portfolio construction and active ownership approach.

There are a number of escalation tools available to the Funds managed by AIGSL as an investor including the ultimate sanction of divestment. The CEEP includes companies from the oil and gas, metals and mining and utilities sectors that substantially contribute to total global carbon emissions. The CEEP's stipulations include:

1. Adoption of a 2050 net zero goal (1.5-degree alignment)
2. Commitment to the Science Based Targets Initiative framework
3. Integration of climate goals into business strategy including capital expenditure framework
4. Setting of short- and medium-term climate targets and milestones
5. Alignment of management incentives to climate goals
6. Reporting on progress using the TCFD framework
7. Prohibition of direct and indirect lobbying deemed contrary to the company's public climate commitments

The responsiveness of the companies in scope will be determined by a qualitative assessment of progress against AIGSL's climate engagement framework and quantitative improvements against its proprietary climate transition risk model.

Progress will be monitored on a six-monthly basis, at which point AIGSL will determine the need for escalation. This may include votes against directors, the filing of shareholder proposals, and working with aligned stakeholder groups to apply further pressure. Companies that fail to make sufficient progress at the conclusion of the program will trigger full divestment.

Sustainable Stewardship Funds

In this Policy, we use defined terms to identify the following fund ranges:

Definition	Funds
"Sustainable Stewardship Master Fund(s)"	Each of the: AI Sustainable Stewardship UK Equity Fund; AI Sustainable Stewardship International Equity Fund; AI Sustainable Stewardship UK Equity Income Fund; and AI Sustainable Stewardship Fixed Interest Fund.
"Sustainable Stewardship Feeder Funds(s)"	Each of the: Aviva Investors Sustainable Stewardship UK Equity Feeder Fund; Aviva Investors Sustainable Stewardship International Equity Feeder Fund; Aviva Investors Sustainable Stewardship UK Equity Income Feeder Fund; and Aviva Investors Sustainable Stewardship Fixed Interest Feeder Fund.

The Sustainable Stewardship Master Fund and – via their investment in the Stewardship Master Funds – the Sustainable Stewardship Feeder Funds apply the Sustainable Stewardship Investment Policy (“SSIP), with the aim of ensuring that they make investments with an overall positive alignment to the UN Sustainable Development Goals (“SDGs”). In order to achieve this aim, the SSIP requires the Sustainable Stewardship Master Funds to invest in accordance with a three-layered approach whereby the Investment Manager:

- Layer 1 – Investment Selection: first applies negative screens, and then further analyses potential investments to take a view on whether the company is sufficiently aligned to the SDGs to meet the Sustainable Stewardship Master Fund’s sustainable investment objective;
- Layer 2 – Stewardship: engages with investee companies on thematic issues, with the aim of positively influencing sustainable behaviours; and
- Layer 3 – Measurement: monitors and reports on the Sustainable Stewardship Master Fund’s alignment to the SDGs in aggregate.

Full details regarding the Sustainable Stewardship Master Funds’ and the Sustainable Stewardship Feeder Funds’ sustainable aims and their investment approach (including the SSIP ‘s enhanced policies with respect to engagement and outcomes) are set out in the relevant prospectuses. The SSIP document is also available on our website.

3. Exclusions

AIUKFSL applies certain exclusions to its funds as set out below.

3.1 Exclusions applied to all funds - the baseline exclusion policy

The Investment Manager will avoid certain types of investment (both companies and corporate bonds) on ESG or ethical grounds. This avoidance is sometimes referred to as “negative screening” and will result in the Fund not owning the screened type of asset.

For each category there is a prescribed revenue limit and if a company generates more than a fixed percentage of their revenue from that excluded activity, the fund will not invest.

We have outlined these in our exclusion categories below. Please note:

- there are certain exceptions, where the Fund may still invest, and these are marked with a ^ and further explained below;
- some funds currently do not apply all of the screens as indicated below. Generally, these are passive index tracking funds, or where the fund is managed by a third-party manager that has not yet implemented the full baseline exclusion policy.

Activity	Description	Revenue Threshold (maximum estimated percentage of revenue)	Applicable to all Funds unless specified
Arctic Oil^	Companies that derive revenue from the production of Arctic Oil.	≥ 10%	No ¥
Biological & Chemical Weapons	Companies that manufacture chemical or biological weapons and related systems and components.	0%	Yes
Civilian Firearms	Companies that manufacture firearms and small arms ammunition for civilian markets. Excludes products exclusively sold for the military, government, and law enforcement markets.	≥ 5%	Yes
Cluster Munitions & Landmines	Companies involved in, among others, development, production, use, maintenance, offering for sale, distribution, import or export, storage or transportation of Cluster Munitions and Landmines.	0%	Yes
Depleted Uranium	Companies involved in the production of depleted uranium (DU) weapons, ammunition and armour, including companies that manufacture armour piercing, fin stabilized, discarding sabot tracing rounds (APFSDS-T); Kinetic Energy Missiles made with DU penetrators; and DU-enhanced armour, including composite tank armour.	0%	Yes
Incendiary (white phosphorous)	Companies that manufacture incendiary weapons using white phosphorus.	0%	Yes
Laser blinding weapons	Companies that manufacture weapons utilising laser technology that causes permanent blindness to the target.	0%	Yes
Non- detectable Fragments	Companies that manufacture weapons which that use non-detectable fragments to inflict injury to targets.	0%	Yes
Nuclear Weapons	Companies involved in, among others, development, production, use, maintenance, offering for sale, distribution, import or export, storage or transportation of nuclear weapons, where this supplies nuclear states outside of the UN Treaty on Non-Proliferation of Nuclear Weapons (1970).	0%	Yes
Oil Sands^	Companies that derive revenue from oil sands extraction or that own oil sands reserves and disclose evidence of deriving revenue from them. This does not include revenue from non-extraction activities (e.g. exploration, surveying, processing, refining), ownership of oil sands reserves with no associated extraction revenues, or revenue from intra-company sales.	≥ 10%	No ¥
Thermal Coal^	Companies that derive revenue from mining or extraction of Thermal Coal and/or its sale to external parties or Thermal Coal-based power generation.	≥ 5%	No ¥
Tobacco Producer	Companies that manufacture Tobacco Products.	0%	No ¥, ◊
Tobacco Retailer or Distributor	Companies that distribute and retail Tobacco Products.	≥25%	No ¥, ◊
UN Global Compact*	Companies that are not considered to meet the standards of the UN Global Compact based on MSCI data, unless AIGSL# places them into the CEEP.	0%	No ¥

^Exceptions for Thermal Coal, Arctic Oil and Oil Sands – where companies have an approved SBT (Science Based Target) which has a classification of 1.5°C or Well Below 2°C this exclusion will not apply.

Structured engagement programs are undertaken by AIGSL, and therefore third party managers will only apply tthe resulting exclusions generated by this screen. We are in the process of introducing the exclusions policy to our passive fund ranges and will notify affected investors when this happens.

Screens that do not apply to certain Funds:

¥ These screens do not currently apply to: Aviva Investors International Index Tracking Fund, Aviva Investors UK Index Tracking Fund, Aviva Investors US Equity Income Fund, Aviva Investors US Equity Income Fund II and the AI UK Listed Equity Income Fund.

◊ These screens do not currently apply to the Aviva Investors UK Listed Equity Income Fund and the AI UK Equity Dividend Fund.

*UN Global Compact

The UN Global Compact (UNGC) is a corporate sustainability initiative that calls on businesses to align with universal principles on corruption, human rights, labour and environmental issues and to take strategic action to advance broader societal goals, such as the UN Sustainable Development Goals.

The Investment Manager reviews the business practices of companies where MSCI data indicates that a "severe" or "very severe" controversy has occurred which could indicate a breach of the above principles. Aviva Investors typically excludes such companies where, after conducting our research and/or engagement, our analysis suggests that the company has not committed to and/or taken appropriate remedial action to resolve the issue. The overall analysis will be informed by MSCI data, but such exclusions are determined by the Investment Manager in its discretion rather than by reliance on third party analysis.

3.2 Additional exclusions applied to the Climate Transition Global Equity Fund

Fossil fuels contribute a significant amount to global greenhouse gas emissions, and as described in the Investment Objective and Policy, at least 90% of the Fund will invest in shares of global companies responding to climate change, and the Fund will therefore exclude companies which derive specified levels of revenue from fossil fuel activity as set out below:

Issue	Negative Screening Criteria
Thermal Coal	• Any revenue from thermal coal mining or thermal coal-fired power generation. • Any thermal coal reserves.
Oil & Gas	• Any revenue from Arctic oil and/or gas production (onshore and offshore). The definition of "Arctic" is geographical and includes production activities north of the 66.5 latitude. • Equal to or more than 10% of revenue from conventional oil and/or gas extraction and production.* • Equal to or more than 15% of revenue from natural gas electricity generation.** • Any revenue from unconventional oil and/or gas production (including oil sands, oil shale, tar sands, shale oil, shale gas, tight gas, coal bed methane, coal seam gas). • Equal to or more than 10% of revenue from liquid fuels power generation. • Any unconventional oil and/or gas reserves (including shale gas, shale oil, oil shale, oil sands, tar sands, tight gas, coal bed methane and coal seam gas). • Equal to or more than 1000mmboe of oil and/or gas reserves. • Equal to or more than 75% of revenue from oil and/or gas value chain activities, including distribution and retail, equipment and services, petrochemicals, pipelines and transportation, refining, and trading.***

* From 2025, the threshold will reduce by 1% a year to 0% by 2035.
** From 2025, the threshold will reduce by 1% a year to 0% by 2040.
*** From 2025, the threshold will reduce by 5% a year to 0% by 2040.

3.3 Additional exclusions applied in respect of the Sustainable Stewardship Master Funds and (via their investment in the Sustainable Stewardship Master Funds) the Sustainable Stewardship Feeder Funds

As noted in section 2 above, the Sustainable Stewardship Master Funds and, through their investment in the Sustainable Stewardship Master Funds, the Sustainable Stewardship Feeder Funds apply the SSIP. To ensure that the Sustainable Stewardship Master Funds do not invest in any companies that the Investment Manager regards as strongly misaligned to any SDGs, the SSIP requires the Sustainable Stewardship Master Funds to apply the following additional negative screens to exclude companies that do not meet certain ethical, social and environmental standards:

At the date of this Policy the tables below set out the exclusions applied to the Stewardship Master Funds:

Ethical & Social Exclusions

Issue	Negative Screening Criteria
Adult entertainment, pornography, and violence-related products	• >10% of turnover from adult entertainment or pornography. • Any involvement in the manufacture or retail of civilian firearms.
Alcohol	• >10% of turnover from the manufacture of alcoholic products. • >25% of turnover from the distribution or sale of alcohol products (e.g. retail, hotels, restaurants and leisure industries).
Animal welfare – animal testing	• Any involvement in the development and manufacture of non-medical related products (such as cosmetics, personal care, household cleaning products) where this has involved animal testing and where the company does not disclose an animal testing policy or statement. • Any involvement in providing animal testing services and where the company does not disclose an animal testing policy or statement.
Animal welfare – fur	• Any involvement in the production or design of fur pelt, raw materials and products containing fur or fur trim. It also includes companies that hunt, raise, trap animals for their fur.
Endangered species	• Involvement in the retail of threatened species, or components thereof, with insufficient action to prevent it.
Gambling	• >10% of turnover from gambling related activities.
Genetic Modification	• Companies that genetically modify plants (e.g. seeds, crops) and other organisms.
Social Controversies	• Companies that are subject to very severe controversies related to a firm's impact on Customers, Human Rights & Community, and Labour Rights & Supply Chain.
Military – weapons and weapon systems	• Any involvement in the manufacture of whole weapons systems, components or support systems (including conventional, biological-chemical, cluster munitions, depleted uranium and nuclear weapons).
Tobacco	• Any involvement in the manufacture of tobacco related products. • >25% of turnover from the distribution or sale of tobacco related products (e.g. retailers).

Environmental Exclusions

Issue	Negative Screening Criteria
Chemicals	• Any involvement in production of chemicals restricted by the following international agreements: the Stockholm Convention, Montreal Protocol and OSPAR Priority List.
Thermal Coal+	• Any revenue from thermal coal mining or thermal coal-fired power generation. • Any thermal coal reserves
Oil & Gas+	• Any revenue from Arctic oil and/or gas production (onshore and offshore). The definition of "Arctic" is geographical and includes production activities north of the 66.5 latitude. • Equal to or more than 10% of revenue from conventional oil and/or gas extraction and production.* • Equal to or more than 15% of revenue from natural gas electricity generation.** • Any revenue from unconventional oil and/or gas production (including oil sands, oil shale, tar sands, shale oil, shale gas, tight gas, coal bed methane, coal seam gas). • Equal to or more than 10% of revenue from liquid fuels power generation. • Any unconventional oil and/or gas reserves (including shale gas, shale oil, oil shale, oil sands, tar sands, tight gas, coal bed methane and coal seam gas). • Equal to or more than 1000mmboe of oil and/or gas reserves. • Equal to or more than 75% of revenue from oil and/or gas value chain activities, including distribution and retail, equipment and services, petrochemicals, pipelines and transportation, refining, and trading.***
Nuclear power generation	• >10% of turnover from nuclear power activities. • Any company deriving revenues from the mining of uranium.
Pollution	• Companies that are the subject to very severe controversies related to land use and biodiversity, toxic spills and releases, energy and climate change, water management, operational non-hazardous waste, environmental impact of products and service, and management of supply chain environmental impact.

* From 2025, the threshold will reduce by 1% a year to 0% by 2035.
** From 2025, the threshold will reduce by 1% a year to 0% by 2040.
*** From 2025, the threshold will reduce by 5% a year to 0% by 2040.

Stewardship aims to adopt a practical and pragmatic approach. On rare occasions, a company may be removed from the exclusion list where its exposure to the negative investment criteria is minor, inconsequential, or immaterial. For the AI Sustainable Stewardship Fixed Interest Fund, a particular investment may also be removed from the exclusions list if the issuer is not exposed to or mitigates the excluded activity, for example, by using proceed bonds (green, social etc.). Any overrides or additions to the exclusions will be at the discretion of Aviva Investors' Sustainable Outcomes team , and overrides will only be made where the company satisfies the SSIP's positive selection criteria, as described below.

3.4 Divestment Policy

The above screens are reviewed on an ongoing basis for relevance and effectiveness. Where Aviva Investors introduces new screens, or revises the criteria of existing screens, for example, changes to the applicable revenue thresholds, and the application of such new screens or revisions identifies that investments currently held now require exclusion, disinvestment will occur as soon as reasonably practicable having regard to the interests of investors in the relevant Fund. Such disinvestment will typically be within 90 days, although may occur for a total period of up to 6 months where the Investment Manager considers it is in the interest of investors to do so. On an exceptions basis, and only where disinvestment is either not possible, for example due to suspension of trading, or where it is deemed to have an adverse impact on investors, the ACD and Investment Manager may agree that the divestment period may be extended beyond 6 months.

3.5 Assets in scope of the Screens

The above screens apply to assets issued by an excluded issuer, including equities, bonds and other securitised debt instruments, and derivatives. The exclusions mean that AIUKFSL has prohibited direct investment by the funds into any excluded issuers. The funds are also prohibited from having indirect exposure to excluded issuers except where:

- The Fund has indirect exposure to a well-diversified financial index through a derivative or an investment linked to that index, of which excluded issuers are constituents of that financial index;
- The fund has indirect exposure to a non-diversified financial index through a derivative or an investment linked to that index, of which excluded companies are constituents of that financial index, provided that: (a) the aggregate exposure of that financial index to excluded companies is less than or equal to 20%; and (b) the fund's total exposure to excluded companies via such index does not exceed 2.5% of the fund's net asset value;
- The Fund engages in derivative short selling of financial instruments issued by an excluded company;
- The Fund invests in other funds managed by third parties or is a passively managed fund (managed by Aviva companies) which have exposure to excluded companies. While consideration of environmental, social, and governance factors are an integral part of the fund selection process, the underlying funds may not operate exclusions equivalent to the exclusion policy.

For the Sustainable Stewardship Master Funds, note that the SSIP's negative screens are also not effective where the relevant fund invests in another fund that does not apply the same or substantially the same screens as the SSIP.

Further detail about the scope of the exclusion policy, including with respect to indirect exposure to an excluded company, is set out the funds' prospectuses and in the relevant exclusions policies.

3.6 Restrictions on investment and holding of Aviva Plc shares and other Aviva securities

AIUKFSL restricts its funds that are actively managed by investment managers within the Aviva group, such as Aviva Investors Global Services Limited, from being permitted to directly or indirectly invest in or hold Aviva Plc shares and other securities issued by Aviva Plc such as bonds, commercial paper, and derivatives of these securities (collectively 'Aviva Securities'). The prohibition on indirect exposure to Aviva Securities shall not include:

- indirect exposure to a financial index, for example through an index future, where Aviva is a constituent of the financial index and,
- investment in other funds managed by third parties, where the underlying funds may have exposure to Aviva Securities.

Please note, AI UK Listed Equity Income Fund and the AI UK Listed Equity Income Fund both received holdings of Aviva Plc shares on launch of the Sub-Funds, via an in-specie transfer ('Legacy Holdings'). These two Sub-Funds are permitted to continue to hold these Legacy Holdings but are prohibited from making any new direct investment in Aviva Plc shares.

The following funds are out of scope of the policy and may continue to invest in and hold Aviva Securities:

- Aviva Investors International Index Tracking Fund and Aviva Investors UK Index Tracking Fund, which may continue to invest in and hold Aviva Securities as they are both passively managed funds that track the performance of an index.
- Aviva Investors US Equity Income Fund and Aviva Investors US Equity Income Fund II, where the investment manager is River Road Asset Management LLC.
- Aviva Investors UK Listed Equity Fund where investment management is sub- delegated to Lindsell Train Limited and the Aviva Investors Japan Equity MoM 1 Fund where investment management is sub-delegated to Nomura Asset Management Co. Limited.
- All Funds of the Aviva Investors Funds ACS which are managed by investment managers outside of the Aviva Group, and all of the funds of the Aviva Investors Passive Funds ACS managed by BlackRock Investment Management (UK) Limited). With the exception of the Legacy Holdings detailed above, all Authorised Contractual Scheme (ACS) funds will continue to be prohibited from directly investing in Aviva Plc shares by virtue of the Companies Act. However, all ACS funds which are not managed by AIGSL will continue to be permitted to have indirect exposure to Aviva Plc shares, and direct and indirect exposure to all other Aviva Securities.