

Policy on Cluster Munitions

December 15, 2022



This Policy prescribes the application of laws adopted by certain countries that are signatories to the United Nations Convention on Cluster Munitions (such local laws are hereinafter referred to as "Cluster Munition Laws"). Generally, Cluster Munitions Laws prohibit persons subject to such laws from using, developing, producing, acquiring, stockpiling, retaining or transferring cluster munitions. Some countries have adopted a Cluster Munitions Law that further prohibits persons subject to such Law from financing or investing in issuers that use, develop, produce, acquire, stockpile, retain or transfer cluster munitions.

MFS' goal is to ensure that MFS and its subsidiaries (collectively, "MFS") comply with Cluster Munitions Laws to the extent such Laws are determined to be applicable to MFS and/or MFS client accounts and to the extent such Laws prohibit persons subject to such Law from financing or investing in issuers that use, develop, produce, acquire, stockpile, retain or transfer cluster munitions. The Investment Sustainability Committee ("ISC") is responsible for the oversight of this Policy.

Scope and Applicability of Cluster Munitions Laws

The prohibitions set forth under a Cluster Munitions Law apply to persons or corporations that are subject to the jurisdiction of countries that have adopted such Law. In addition, the scope or breadth of Cluster Munitions Laws (e.g., whether such laws prohibit investing in certain issuers) varies by country and as a result their applicability may need to be assessed on a country-by-country basis.

Restrictions on investments that are derived from Cluster Munitions Laws shall only apply to those funds and accounts that (i) are located in jurisdictions that have adopted Cluster Munitions Laws which MFS has determined apply to such fund or account or (ii) for which MFS receives a client direction to restrict investments in issuers that use, develop, produce, acquire, stockpile, retain or transfer cluster munitions ("Restricted Accounts").

Restricted Accounts and Prohibited Companies

MFS has entered into an agreement with a third-party service provider to identify companies that are deemed to be involved with cluster munitions within the meaning of Cluster Munitions Laws ("Prohibited Companies"). In identifying Prohibited Companies, MFS' third-party service provider includes issuers that manufacture or own manufacturers (as these terms are defined by the third party service provider) of cluster munitions and landmines (including anti-personnel mines).

In certain countries, the relevant supervisory authorities may publish a list of restricted issuers under that country's Cluster Munitions Laws. In these circumstances, MFS will, as required by local

law, use a country's restricted issuer list to identify Prohibited Companies for Restricted Accounts located in that country.

Because the Cluster Munitions Laws vary by country questions concerning whether a Cluster Munitions Law applies to a particular account, whether the particular Cluster Munitions Law prohibits investments in a particular issuer, and whether the prohibition applies to particular types of securities of a company are likely to arise. The MFS Legal Department is responsible for interpreting the applicability and scope of such Cluster Munitions Laws, including determining which jurisdictions have adopted Cluster Munitions Laws that prohibit persons within their jurisdiction from investing in issuers that use, develop, produce, acquire, stockpile, retain or transfer cluster munitions. The MFS Legal Department reports such interpretation to the ISC.

Implementation of Cluster Munitions Law Restrictions

- A. As part of MFS' on-boarding process for new clients MFS will determine whether the account is a Restricted Account.
- B. For existing accounts, MFS shall determine which existing accounts are Restricted Accounts within 90 days of the effective date of this Policy.
- C. MFS will engage a third party to screen and identify Prohibited Companies or, in the event that a country publishes its own list of restricted issuers and requires applicable Restricted Accounts to use such list under its Cluster Munitions Laws, we

will use such list to screen and identify Prohibited Companies for those Restricted Accounts.

- D. MFS will block Restricted Accounts from investing in Prohibited Companies.
- E. In the event a client provides MFS with its own list of issuers that the client believes are involved with cluster munitions, then MFS will block the Restricted Account(s) from investing in such issuers identified by the relevant client.
- F. In the event a client disagrees with MFS' designation of the client as a Restricted Account, MFS will consult with such client to achieve a mutually agreeable outcome.
- G. MFS investment personnel shall have a reasonable time to divest ownership of any security subject to the limitations of this Policy and shall divest such security in the best interests of the applicable Restricted Account.

Reporting to Fund Restricted Accounts

MFS will present a report to the appropriate Fund board (where such Fund has been deemed a Restricted Account) regarding this Policy at least annually. These reports will include (i) the current list of Prohibited Companies; (ii) a review of situations and rationale where MFS determined that a company was included on the third-party provider list as a Prohibited Company should not have been included under the applicable Cluster Munitions Law; (iii) a review of any material interpretations of the regulations applicable to the relevant Fund; (iv) a review of these policies and procedures for implementation thereof; (v) as necessary or appropriate, any proposed modifications to this Policy; and (vi) such other

information the applicable board may request.

Interpretation and escalation

Exceptions to this policy may be authorized by the General Counsel or a senior member of the Legal Department acting under the supervision of the General Counsel (an “Authorized Person”).

For questions regarding this policy you should seek guidance from the contact person(s) listed above. You must immediately notify a contact person to escalate any apparent conflict with, or violation of, this policy. If any person listed as a contact person is no longer employed at MFS, you should seek guidance from one of the other listed contacts or the owner of this policy.

Breaches of the Policy are reviewed promptly by the representatives of the Compliance Department and communicated to senior management for resolution. Violations are discussed at the ISC.