

MFS INVESTMENT MANAGEMENT RESPONSIBLE INVESTING POLICY STATEMENT

Our clients appoint us as fiduciaries to help them achieve their investment objectives over the long term. Generally, our clients' objective is to maximize the financial return of their portfolio within appropriate risk parameters. To help our clients achieve this objective, we employ an investment approach that generally focuses on companies with sustainable, long-term competitive advantages. We believe that certain environmental, social and corporate governance (ESG) issues may impact the sustainable value of businesses. Therefore, we integrate ESG factors into our investment process and our ownership practices to the extent that the integration of such factors is consistent with our fiduciary duty to help our clients achieve their investment objectives and protect their economic interests.

In 2009, we formed the MFS Responsible Investing Committee and established the MFS Policy on Responsible Investing to support the implementation of a systematic ESG integration process. The Committee serves as a forum for our responsible investing efforts and is comprised of representatives of various MFS business units, including members of our investment team. In 2017, we established the MFS Sustainability Group. This group includes MFS' President, asset class Chief Investment Officers, our Chief Investment Risk Officer and other members of our investment, distribution and proxy voting teams. The purpose of the Sustainability Group is to further accelerate the implementation of sustainable investing practices across the firm.

Incorporation of ESG issues into Investment Process

We integrate ESG factors into our investment analysis to the extent we believe they are material to shareholder value. In particular, we find that well-managed companies often achieve higher returns with less volatility over the years than other companies. We will only introduce specific restrictions, including those related to ESG issues, into a client's portfolio if directed by such client or to comply with applicable law. In general, the integration of ESG factors into our investment analysis relate to investments in equity and fixed income securities. In integrating ESG factors into their analysis, members of our investment team adhere to the following general principles:

- When evaluating an investment, they consider a company's ESG policies and ESG factors that may impact the company to the extent they believe that such policies and factors are material to and have a long-term economic impact on shareholder value; and
- They seek to understand ESG policies of portfolio companies through their own research, the research of other members of the investment team, and/or the research of third parties.

Incorporation of ESG issues by Equity Investment Team

In order to aid members of our equity investment team in their analysis and monitoring of critical issues, we obtain third party research with respect to ESG matters. This research includes an ESG rating for each investee company and is available to all members of our equity investment team. Our equity investment team also includes two dedicated analysts with ESG expertise who assist the investment team in evaluating ESG-related issues. Our equity portfolio managers also meet semi-annually with members of our Investment Management Committee to discuss significant risk exposures of the portfolios that they manage. This review includes discussion of the

particular portfolio's exposure to companies with a low ESG rating (as provided by our third party research provider) relative to the portfolio's benchmark.

Incorporation of ESG issues by Fixed Income Investment Team

Our fixed-income investment team implements a comprehensive research process that attempts to recognize all factors, including ESG issues, that could have a material impact on security valuation. We are currently engaged in seeking to understand how to best incorporate ESG-related factors in our investment analysis and portfolio decision making process for the fixed-income portfolios that we manage. From our perspective, the evolution of an explicit and systematic framework for consideration of ESG issues in fixed-income investing (e.g., formal guidelines and procedures) is still at an early stage across the global investment management industry, and we feel our current process reflects that trend.

Incorporation of ESG issues into Ownership Practices

We incorporate ESG issues into our ownership practices primarily by considering ESG issues when voting securities owned by our clients for which we have been delegated voting authority. The exercise of voting rights is overseen by our Proxy Voting Committee, and we have adopted proxy voting policies and procedures with respect to our exercise of voting rights.

In integrating ESG factors into our exercise of voting rights, we generally support proposals relating to ESG issues that we believe are in the best long-term economic interest of the company's shareholders. In particular, we generally support governance proposals that we believe are in the best long-term economic interest of our clients, including, but not limited to, (i) the de-classification of the board of directors, (ii) the elimination of supermajority vote requirements, (iii) the implementation of a majority voting system in director elections, (iv) the submission of poison pills to a shareholder vote, (v) the ability of shareholders to act by written consent, (vi) the ability of shareholders to call a special meeting, (vii) the implementation of confidential voting, a (viii) the ability of shareholders to cast an advisory vote on an issuer's executive compensation practices (commonly referred to as "Say on Pay"), (ix) reasonably crafted "Proxy Access" proposals at an ownership threshold of 3% for a period of 3 years; and (x) the separation of the Chairman/CEO positions in certain instances. Likewise, we support reasonably crafted shareholder proposals that (i) request disclosure on the impact of environmental issues on the company's operations, sales, and capital investments; (ii) seek to amend a company's equal employment opportunity policy to prohibit discrimination based on sexual orientation and gender identity; and (iii) request additional disclosure regarding a company's political contributions. For a copy of our complete proxy voting policies and procedures, please visit the proxy voting section of our website at www.mfs.com.

Engagement Activities

In the ordinary course of our research process, our investment team raises ESG-related issues, among other issues, during meetings with management of investee companies and prospective investee companies when we believe the discussion can enhance our understanding of the company's practices and goals to enhance shareholder value. Our dedicated ESG equity analysts will also often highlight particular ESG-related issues that members of our equity investment team can incorporate into their discussion with management teams. Examples of potential engagement topics include: (i) corporate governance matters, including the level of independence of the board, shareholder-friendly orientation of managers and executive compensation; (ii) labor relations and worker safety; (iii) environmental stewardship and related safety controls and risk

management; and (iv) interactions with local people groups, governments, and non-governmental organizations.

Likewise, members of our proxy voting team will also engage with a company or another shareholder when we believe that the engagement will enhance our understanding of certain matters on the company's proxy statement. Some of the issues we discuss with companies are: executive compensation, director accountability, and shareholder proposals on various ESG issues. We may also engage with a company in advance of its formal proxy solicitation to discuss our thoughts on certain contemplated proposals involving ESG matters.

Conflicts of Interest

Our proxy voting policies and procedures include a description of how we manage potential, material conflicts of interest in regards to proxy voting at portfolio companies. Our policy is that proxy voting decisions are made in what we believe to be in the best long-term economic interests of our clients, and not in the interests of any other party or in our corporate interests. If a member of the MFS Proxy Voting Committee or any other employee involved in a voting decision identifies a personal interest with respect to such voting decision, then he or she must recuse himself or herself from participating in the voting process. Further, the Proxy Voting Committee does not include individuals whose job responsibilities primarily include client relationship management, marketing or sales. Additionally, in cases where we (i) consider overriding a specific guideline in our proxy voting policies or procedures, (ii) consider a matter that is not governed by a specific guideline in our policies, (iii) evaluate an excessive executive compensation issue related to the election of directors, or (iv) consider a matter that requires consultation with our investment team, we will check to see whether the matter involves an issuer that has a significant relationship with MFS. Where we identify a potential conflict, the MFS Proxy Voting Committee will carefully evaluate the proposed vote to ensure that the proxy is ultimately voted in what we believe to be the best long-term economic interests of our clients and not in our corporate interests and then report the matter to the MFS Conflicts Officer.

Codes and Guidelines

Many industry groups, trade associations and other multi-national initiatives have adopted codes and guidelines relating to responsible investing. These codes and guidelines continue to change and develop. While we believe that it is not always in our clients' economic interests for us to take a formalistic approach towards responsible investment by following the letter of a particular code, we will support a code to the extent we believe the code is consistent with the long term economic interests of our clients and our investment policies described above. For a description of how we incorporate the principles set forth in certain established codes, please see our website.

In February 2010, MFS became a signatory to the Principles for Responsible Investment (PRI). The six principles of the PRI provide a voluntary and aspirational framework for incorporating ESG issues into one's investment approach and ownership practices. We believe that the principles of the PRI are consistent with our approach to responsible investing.

Collaborative Efforts

We believe that working with other like-minded investment managers and asset owners on collaborative engagement initiatives is often helpful in understanding ESG issues and the challenges that the integration of those issues into the investment process pose to our industry. We regularly assess whether we should participate in collaborative bodies or organizations or

support various collaborative initiatives relating to responsible investing or ESG issues. We are currently a signatory to the Carbon Disclosure Project, a collaborative engagement initiative that seeks information on the business risks and opportunities presented by climate change and greenhouse gas emissions from the world's largest companies. MFS may also communicate with regulatory agencies on issues that we believe warrant consideration.

Reporting

Clients who have delegated us with proxy voting authority can receive a vote summary report of their portfolio. We publicly disclose the votes of certain pooled vehicles for which we serve as investment adviser on a quarterly basis. To access the proxy voting records of such pooled vehicles, please visit the appropriate proxy voting section of our website at www.mfs.com. We also publish a Sustainable Investing Report annually that includes a summary of our proxy voting and engagement activities, which is available under the sustainable investing section of www.mfs.com. We also report on responsible investing efforts as required by any collaborative body or organization that we join.

For Further Information

For MFS clients wishing to discuss our commitment to responsible investing, please contact your client service representative.

For media inquiries wishing to discuss our commitment to responsible investing, please contact:

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The views expressed herein are those of MFS, and are subject to change at any time. These views should not be relied upon as investment advice, as securities recommendations, or as an indication of trading intent on behalf of any MFS investment product. No

forecasts are guaranteed.

Compliance with the UK Stewardship Code, as of December 10, 2018

In July 2010 and as revised in September of 2012 and July 2018, the Financial Reporting Council issued a statement setting forth best practices for institutional investors that choose to engage with the companies in which they invest. The Code consists of seven principles. These principles and how Massachusetts Financial Services Company and its subsidiaries, including MFS International (U.K.) Limited (each, a “MFS Entity” and collectively, “MFS” or “MFS Entities”) incorporates them into its approach to responsible investing are described below.

Principle 1 – Publicly disclose their policy on how they will discharge their stewardship responsibilities

We are appointed to act as fiduciaries to our clients to help them achieve their investment objectives, and we take these stewardship responsibilities very seriously. We believe it is not always in our clients’ economic interests for us to take a formalistic approach towards compliance with each principle of the Code, but we incorporate the principles of the Code to the extent that compliance is consistent with the long term economic interests of our clients and the specific investment mandates of our clients. Our responses to the Code’s six further principles, together with our publicly available brochure on our approach to responsible investing, detail how we intend to discharge our stewardship responsibilities.

In the ordinary course of our research process, our investment team raises environmental, social and governance (“ESG”) -related issues, among other issues, during meetings with management of investee companies and prospective investee companies when we believe the discussion can enhance our understanding of the company’s practices and goals to enhance shareholder value. Our dedicated ESG equity analysts will also often highlight particular ESG-related issues that members of our equity investment team can incorporate into their discussion with management teams. Examples of potential engagement topics include: (i) corporate governance matters, including the level of independence of the board, shareholder-friendly orientation of managers and executive compensation; (ii) labor relations and worker safety; (iii) environmental stewardship and related safety controls and risk management; and (iv) interactions with local people groups, governments, and non-governmental organizations.

Likewise, members of our Proxy Voting team will also engage with a company or another shareholder when we believe that the engagement will enhance our understanding of certain matters on the company’s proxy statement. Some of the issues we discuss with companies are: executive compensation, director accountability, and shareholder proposals on various ESG issues. We may also engage with a company in advance of its formal proxy solicitation to discuss our thoughts on certain contemplated proposals involving ESG matters.

Principle 2 - Have a robust policy on managing conflicts of interest in relation to stewardship and how this policy is publicly disclosed

Generally, MFS has adopted policies and procedures that address and mitigate the types of conflicts of interest that arise in the ordinary course of providing services to our clients. These policies specify how and when proprietary accounts are traded in relation to client accounts, how trades are allocated, how shares are voted, personal trading, and similar matters. The MFS Policy Committee is responsible for approving general policies applicable to providing services to clients, and ensuring that provisions within those policies to address conflicts of a

systemic nature. MFS continuously monitors changes to its business that could give rise to new conflicts of interest and revises its policies, procedures, and disclosures to address and mitigate those conflicts, as deemed appropriate. Additionally, certain MFS Entities, including MFS International (UK) Limited (“MIL UK”), have adopted a separate conflicts of interest policy to ensure that conflicts between MIL UK and its clients, among MIL UK’s clients, and between service providers of MIL UK and MIL UK’s clients are identified, mitigated and where necessary disclosed to clients. A summary of this policy is provided to MIL UK’s clients upon request.

Oversight of the general policies and related conflicts of interest is performed through the MFS Committee Governance structure. Three supervisory committees, Internal Compliance Controls, Enterprise Risk Management, and Investment Management, oversee compliance activities, risk management functions, investment management, and operational processes. Supporting the supervisory committees are a group of key business process/functional committees which are designed to offer a forum for the communication of all issues that arise with respect to the committee’s charter, including conflicts of interest.

Additionally, MFS maintains an organizational structure that further mitigates the potential for conflicts through the following:

- segregation of duties
- establishment of ethical walls and other informational barriers, where appropriate
- independence of compliance, risk and internal audit functions

Our proxy voting policies and procedures include a description of how we manage potential, material conflicts of interest in regards to proxy voting at portfolio companies. Our policy is that proxy voting decisions are made in what we believe to be in the best long-term economic interests of our clients, and not in the interests of any other party or in our corporate interests. In cases where we (i) consider overriding a specific guideline in our proxy voting policies or procedures, (ii) consider a matter that is not governed by a specific guideline in our policies, (iii) evaluate an excessive executive compensation issue related to the election of directors, or (iv) consider a matter that requires consultation with our investment team, we will check to see whether the matter involves an issuer that has a significant relationship with MFS. Where we identify a potential conflict, the MFS Proxy Voting Committee will carefully evaluate the proposed vote to ensure that the proxy is ultimately voted in what we believe to be the best long-term economic interests of our clients and not in our corporate interests and then report the matter to the MFS Conflicts Officer. Additionally, if a member of the MFS Proxy Voting Committee or any other employee involved in a voting decision identifies a personal interest with respect to such voting decision, then he or she must recuse himself or herself from participating in the voting process. Furthermore, the Proxy Voting Committee does not include individuals whose job responsibilities primarily include client relationship management, marketing or sales. A copy of our proxy voting policies and procedures (which contains procedures on how MFS addresses material conflicts that may arise between MFS and its clients) can be obtained by visiting *mfs.com* (once you have selected “United Kingdom” as the location, select "Manage Your Account and then select "Proxy Voting").

Principle 3 - Monitor their investee companies

The monitoring of investee companies is undertaken by members of both our investment team and our Proxy Voting team. Members of our investment team periodically attend meetings with management of investee companies when we believe the discussion can enhance our understanding of the company’s practices and goals to enhance shareholder value. Because we believe that environmental, social and corporate governance (ESG) issues often impact the

sustainable value of businesses, ESG issues are often discussed at these meetings. In order to aid the investment team in their analysis and monitoring of critical issues, we also obtain third party research with respect to ESG issues. Finally, our dedicated ESG analyst assists members of the equity investment team in the evaluation of ESG-related issues.

Likewise, members of our Proxy Voting Committee and our proxy voting team will also engage with a company or another shareholder when we believe that the engagement will enhance our understanding of certain matters on the company's proxy statement. Some of the issues we discuss with companies are: executive compensation, director accountability, compliance with the U.K. Corporate Governance Code (if applicable), and shareholder proposals on various ESG issues. We may also engage with a company in advance of its formal proxy solicitation to discuss our thoughts on certain contemplated proposals involving ESG matters. Because of the variety and timing of responses from companies with which we engage on proxy matters, measuring the direct impact of our proxy engagement activities continues to be a challenge. From a broad perspective, we have observed many positive trends at companies on a variety of proxy voting issues that we have engaged on with our portfolio companies (*e.g.*, the adoption of majority voting in U.S. director elections). For more information about our proxy engagement efforts, please see our most recent "Sustainable Investing Report," which may be obtained by visiting *mfs.com* (once you have selected "United Kingdom" as your location, select "Manage Your Account". Click on "Proxy Voting" where you may select "Proxy Voting Reports" under the" header on the left hand column of the page).

MFS maintains a restricted trading list that applies to both MFS and employee trading. The MFS Inside Information Policy governs the receipt and communication of material, non-public information and prohibits the use of such information in violation of the US federal securities laws. The policy applies to all directors, officers and employees of MFS and each of its subsidiaries (MFS representatives), and generally prohibits trading or recommending trading in any security while in possession of material, non-public information relating to the issuer of that security or while knowing that another MFS representative is in possession of such material, non-public information.

Principle 4 – Establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value

As described above, members of our investment and proxy voting teams engage with companies on relevant governance issues. Escalation of such engagement may include voting against a board of directors, voting against management proposals, supporting shareholder proposals and increased dialogue with company management (either oral or written), including the board of directors. We may also choose to sell a security in lieu of escalating our engagement activities if we believe that disposition of the security is in the best interests of our clients. We generally do not make public statements about a particular engagement activity, nor do we submit shareholder resolutions. Rather, our preference is for direct and private engagement with our portfolio companies on a one-on-one basis. We believe that this type of engagement is constructive and has a meaningful impact that better serves our clients' long-term, economic interests.

Principle 5 – Be willing to act collectively with other investors where appropriate

We believe that working with other like-minded investment managers and asset owners on collaborative engagement initiatives is often helpful in understanding ESG issues and the challenges that the integration of those issues into the investment process pose to our industry. We regularly assess whether we should participate in collaborative bodies or organizations or

support various collaborative initiatives relating to responsible investing or ESG issues. We are a signatory to the Principles for Responsible Investment (PRI). We are also a signatory to the Carbon Disclosure Project, a collaborative engagement initiative that seeks information on the business risks and opportunities presented by climate change and greenhouse gas emissions from the world's largest companies.

Principle 6 - Have a clear policy on voting and disclosure of voting activity

We have adopted a clear and robust policy on voting securities owned by our clients for which we have been delegated voting authority. Our proxy voting policies and procedures describe situations where we may vote against directors and management recommendations. We seek to vote all shares held by our clients, with the exception of certain cross-border voting impediments such as “share-blocking” requirements. We have entered into agreements with two third parties (Institutional Shareholder Services and Glass, Lewis & Co.) to perform various proxy voting related administrative services. We also receive third party reports and vote recommendations for all investee companies, which may help us identify (i) potentially excessive executive compensation practices, (ii) environmental and social shareholder proposals that may warrant support, and (iii) general best practices within certain markets, including certain aspects of the UK Corporate Governance Code.

A client may request that MFS furnish a report with a record of votes cast on behalf of such client. In addition, MFS publicly discloses the proxy voting records of certain pooled investment vehicles for which MFS provides advisory services (including the MFS Meridian Funds) on a quarterly basis.

Our institutional investor clients may participate in securities lending programs. Such institutional clients determine whether or not to recall loaned securities in order to vote proxies. There may be operational constraints to recalling loaned securities to vote proxies in certain markets.

For more information about our proxy voting activities, please visit the proxy voting section on *mfs.com* (once you have selected “United Kingdom” as your location and selecting “Proxy Voting” under “Manage Your Account”).

Principle 7 – Report periodically on their stewardship and voting activities

We report on our responsible investing efforts as required by any collaborative body or organization that we join, such as the PRI, and may share such a report with our clients. Clients who have delegated us with proxy voting authority can also receive a vote summary report of their portfolio. We also disclose the voting records of certain pooled investment vehicles for which we serve as investment adviser. We also publish a Sustainable Investing Report on an annual basis that includes a summary of our proxy voting and engagement activities. Certain aspects of our proxy voting program are subject to our internal and external audit programs. For more information about our proxy voting activities, please visit the sustainable investing section on *mfs.com* as described above.

For Further Information

For MFS clients wishing to discuss our commitment to responsible investing, please contact your client service representative.

For media inquiries wishing to discuss MFS' activities under the U.K. Stewardship Code, please contact:

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MFS Investment Management K.K.'s Statement on its Stewardship Activities As of December 16, 2019

Our clients appoint us as fiduciaries to help them achieve their investment objectives over the long term. Generally, our clients' objective is to maximize the financial return of their portfolio within appropriate risk parameters. To help our clients achieve this objective, we employ an investment approach that generally focuses on companies with sustainable, long-term competitive advantages. As an active investment manager, MFS employs long term investment strategies that invest in companies which MFS considers to have the necessary fundamentals, competitive advantages and sustainability attributes from which value can be created over a full market cycle. Our fully integrated global research platform is the foundation of our investment process. We analyze opportunities across geographies, across fundamental and quantitative disciplines and across each organization's entire capital structure to develop a fuller perspective on each security. Our investment professionals work out of nine major financial centers around the world, and their efforts are fully integrated through their work on eight global sector teams. The sector teams are comprised of fundamental equity analysts who cover similar industries around the world. Quantitative analysts, credit analysts and portfolio managers also belong to the teams to broaden and deepen their perspective. We believe using a collaborative global structure to share and integrate information builds better insights for our clients.

In addition, because we believe that certain environmental, social and corporate governance (ESG) issues may impact the sustainable value of businesses, we integrate them into our investment process and our ownership practices to the extent that the integration of such factors is consistent with our fiduciary duty to help our clients achieve their investment objectives and protect their economic interests. Our investment team includes dedicated investment personnel who assist the investment team in evaluating ESG-related issues. In addition, we established the MFS Responsible Investing Committee and developed the MFS Policy on Responsible Investing to support the implementation of a systematic ESG integration process. The Committee serves as a forum for our responsible investing efforts and is comprised of representatives of various MFS business units, including members of our investment team. In 2017, we established the MFS Sustainability Group. This group includes MFS' President, asset class Chief Investment Officers, our Chief Investment Risk Officer and other members of our investment, distribution and proxy voting teams. The purpose of the Sustainability Group is to further accelerate the implementation of sustainable investing practices across the firm.

In February of 2014 (and updated on May 29, 2017), the Council of Experts Concerning the Japanese Version of the Stewardship Code issued a statement setting forth best practices for institutional investors, including institutional investors as asset managers, that choose to engage with the companies in which they invest. The Code consists of seven principles. These principles and how MFS Investment Management K.K. (MIMKK) incorporates them into our investment approach and proxy voting activities are described below.

Principle 1 – Institutional investor should have a clear policy on how they discharge their stewardship responsibilities, and publicly disclose it.

We are appointed to act as fiduciaries to our clients to help them achieve their investment objectives, and we take these stewardship responsibilities very seriously. We believe it is not always in our clients' economic interests for us to take a formalistic approach towards compliance with each principle of the Code, but we incorporate the principles of the Code to the extent that compliance is consistent with the long term economic interests of our clients and the specific

investment mandates of our clients. Our responses to the Code's six further principles detail how we intend to discharge our stewardship responsibilities.

In the ordinary course of our research process, our investment team raises issues, including those related to ESG topics, during meetings with management of investee companies and prospective investee companies when we believe the discussion can enhance our understanding of the company's practices and goals to enhance shareholder value. Our dedicated ESG investment personnel will also often highlight particular ESG-related issues that members of our equity investment team can incorporate into their discussion with management teams. Examples of potential engagement topics include: (i) corporate governance matters, including the level of independence of the board, shareholder-friendly orientation of managers and executive compensation; (ii) labor relations and worker safety; (iii) environmental stewardship and related safety controls and risk management; and (iv) interactions with local people groups, governments, and non-governmental organizations.

As part of our stewardship responsibilities, we vote proxies in what we believe to be in the best, long-term economic interest of shareholders. We believe open communication with our portfolio companies on proxy voting issues is an important aspect of our stewardship responsibilities. As such, members of our proxy voting team will engage with a company or another shareholder when we believe that the engagement will enhance our understanding of certain matters on the company's proxy statement. Some of the issues we discuss with companies are: executive compensation, director accountability, and shareholder proposals on various ESG issues. We may also engage with a company in advance of its formal proxy solicitation to discuss our thoughts on certain contemplated proposals. Engaging with companies that MFS has invested in on behalf of clients and investors is an important component of the MFS investment approach. As an investment manager with a long term investment horizon, MFS believes engagement can protect and enhance long term value to the benefit of both asset owners and companies.

Principle 2 - Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

Our policies ensure that our clients are treated fairly, honestly, and ethically at all times. Delivering this commitment requires policies and procedures to ensure that conflicts of interest are identified, mitigated and where necessary, disclosed to clients. Conflicts may arise in different business contexts and we have adopted policies that address the most common of these. In general, oversight of these and related conflicts of interest is performed through our Internal Compliance Controls Committee Structure (the "ICCC Structure"). The ICCC Structure consists of various committees, each of which oversees one or more business activities and either directly or indirectly reports compliance violations to the Internal Compliance Controls Committee. Separately, we maintain a corporate structure that allows for the mitigation of potential conflicts of interest through (1) segregation of duties, (2) the establishment of ethical walls and other informational barriers where appropriate, and (3) the separation of compliance, corporate risk and internal audit functions.

Our proxy voting policies and procedures further include a description of how we manage potential, material conflicts of interest in regards to proxy voting at investee companies. Our policy is that proxy voting decisions are made in what we believe to be in the best long-term economic interests of our clients, and not in the interests of any other party or in our corporate interests. If a member of the Proxy Voting Committee (the committee responsible for overseeing our proxy voting practices) or any other employee involved in a voting decision identifies a personal interest with respect to such voting decision, then he or she must recuse himself or

herself from participating in the voting process. Furthermore, the Proxy Voting Committee does not include individuals whose job responsibilities primarily include client relationship management, marketing or sales. Additionally, in cases where we (i) consider overriding a specific guideline in our proxy voting policies or procedures, (ii) consider a matter that is not governed by a specific guideline in our policies, (iii) evaluate a potential case of excessive executive compensation issue related to the election of directors or advisory pay vote, or (iv) consider a matter that requires consultation with our investment team, we will check to see whether the matter involves an issuer that has a significant relationship with Massachusetts Financial Services Company and its subsidiaries, including MIMKK (collectively, MFS). Where we identify such a significant relationship, the MFS Proxy Voting Committee will carefully evaluate the proposed vote to ensure that the proxy is ultimately voted in what we believe to be the best long-term economic interests of our clients and not in our corporate interests and then report the matter to the MFS Conflicts Officer.

Principles 3 & 4- Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities and support the sustainable growth of the companies; and institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.

The monitoring of investee companies is undertaken by members of both our investment team and our proxy voting team. Members of our investment team analyze factors such as company's earnings, balance sheet, cash flows, competitive position and management ability. In addition, the investment team regularly meets with company management, as well as suppliers, competitors, consultants and industry contacts in order to develop a comprehensive view of each company they follow. The analysis and ongoing monitoring is undertaken by the MFS analyst responsible for covering the investee company in collaboration with MFS portfolio decision makers and other investment analysts (e.g. ESG, quantitative, and analysts). Because we believe that ESG issues often impact the long-term sustainable value of businesses, ESG topics are also often discussed at these meetings. In order to aid the investment team in their analysis and monitoring of critical issues, our dedicated ESG investment personnel assist members of the equity investment team in the evaluation of ESG-related issues. In addition, we obtain third party research with respect to ESG issues.

Likewise, members of our proxy voting team will also engage with a company or another shareholder when we believe that the engagement will enhance our understanding of certain matters on the company's proxy statement. Some of the issues we discuss with companies are: executive compensation, director accountability, corporate culture, compliance with applicable corporate governance codes, and shareholder proposals on various ESG issues. We may also engage with a company in advance of its formal proxy solicitation to discuss our thoughts on certain contemplated proposals. On an annual basis, MFS publishes its engagement priorities for the upcoming proxy voting season.

In addition to engaging individually with our portfolio companies, MFS believes that working with like-minded investment managers and asset owners on collaborative engagement initiatives can be an effective way to raise standards and promote good practices within the broader investment industry. MFS regularly assesses whether it should participate in collaborative bodies or organizations that facilitate such initiatives. We often engage with sponsors of shareholder initiatives or proposals, which helps inform our views on important proxy voting issues. We participate in various industry working groups and industry organizations that seek to develop

thought leadership on emerging proxy voting issues. MFS may send letters to various regulatory agencies to encourage corporate governance reform when we feel it is warranted.

MFS has adopted a written policy designed to prevent the misuse of material non-public information. The policy applies to all directors, officers, and employees of MFS and each of its subsidiaries (MFS representatives), and prohibits trading or recommending trading in any security while in possession of material, nonpublic information relating to the issuer of that security or while knowing that another MFS representative is in possession of such material, nonpublic information. MFS representatives are also prohibited from communicating material, nonpublic information to any person without prior approval. These prohibitions apply to MFS representatives personally, as well as to trading on behalf of others.

Principle 5 – Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical check list; it should be designed to contribute to the sustainable growth of investee companies.

We have adopted a clear and robust policy on voting securities owned by our clients for which we have been delegated voting authority. MFS Proxy Voting activities are overseen by the MFS Proxy Committee (which includes senior personnel from the Investment and Legal teams) with the assistance of MFS proxy voting team. We vote proxies in what we believe to be in the best, long-term economic interest of shareholders. Our proxy voting policies and procedures describe situations where we may vote against directors and management recommendations. We seek to vote all shares held by our clients, with the exception of certain cross-border voting impediments such as “share-blocking” requirements. We have entered into an agreement with a third party to perform various proxy voting related administrative services. We also receive third party reports and vote recommendations for all investee companies, which may help us identify (i) potentially excessive executive compensation practices, (ii) environmental and social shareholder proposals that may warrant support, and (iii) general best practices within certain markets, including certain aspects of applicable corporate governance codes. However, we analyze such issues independently and do not necessarily vote with the third party recommendations on these issues. We may also use other research tools in order to identify the circumstances described above.

Currently, MIMKK has not been delegated with oversight authority for any securities lending program that clients may have. However, MFS has been delegated oversight authority for securities lending programs of certain pooled investment vehicle clients. For those clients, MFS recalls securities in the following situations: In the event MFS or its agent receives timely notice of a shareholder meeting for a U.S. security, MFS and its agent will attempt to recall any securities on loan before the meeting’s record date so that MFS will be entitled to vote these shares. However, there may be instances in which MFS is unable to timely recall securities on loan for a U.S. security, in which cases MFS will not be able to vote these shares. MFS generally does not recall non-U.S. securities on loan because there may be insufficient advance notice of proxy materials, record dates, or vote cut-off dates to allow MFS to timely recall the shares in certain markets on an automated basis. As a result, non-U.S. securities that are on loan will not generally be voted. If MFS receives timely notice of what MFS determines to be an unusual, significant vote for a non-U.S. security whereas MFS shares are on loan, and determines that voting is in the best long-term economic interest of shareholders, then MFS will attempt to timely recall the loaned shares.

For many of our MFS-sponsored pooled vehicles, we publicly disclose all of our votes on an individual agenda ballot item basis quarterly. In addition, our votes for each Japanese company during the Japanese fiscal year (April 1 to March 31) will be disclosed by the end of August of

the most recently completed fiscal year on www.mfs.com/japan. Beginning for the quarter ended March 31, 2020, MFS will publicly disclose its firm-wide proxy voting records. A global analysis of MFS' Proxy Voting practices, including how votes were cast by region for the most recently completed proxy voting year (1 July to 30 June) is included in the MFS Sustainable Investing Annual Report (which is published annually during the first quarter). More information about our Proxy Voting activities is available in the proxy voting section of www.mfs.com.

For a summary of our proxy voting policies and procedures, please visit www.mfs.com/japan/. Clients who have delegated us with proxy voting authority can receive a vote summary report of their portfolio.

Principle 6 - Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

Clients who have delegated us with proxy voting authority can also receive a vote summary report of their portfolio. We also publish an annual proxy voting and engagement report that describes in detail our voting and engagement activity for the previous 12-month period ending June 30th of every year.

We report on our responsible investing efforts as required by any collaborative body or organization that we join, such as the Principles for Responsible Investment, and may share such a report with our clients.

An in-depth perspective on our sustainable investing activities for the most recent calendar year is available on the "Sustainable Investing at MFS" section on www.mfs.com. Please see the MFS Sustainable Investing Report for more information on our stewardship and voting activities.

Principle 7 – To contribute positively to the sustainable growth of investee companies, institutional investors should have in-depth knowledge on the investee companies and their business environment and capabilities to appropriately engage with the companies and make proper judgments in fulfilling their stewardship activities.

To help our clients achieve their objective, we employ an investment approach that generally focuses on companies with sustainable, long-term competitive advantages. As part of this approach, we believe that the integration of environmental, social, and corporate governance (ESG) factors into our research is essential, as these issues often impact the sustainable value of businesses. Our fully integrated global research platform is the foundation of our investment process. We analyze opportunities across geographies, across fundamental and quantitative disciplines and across each organization's entire capital structure to develop a fuller perspective on each security. Our investment professionals work out of nine major financial centers around the world, and their efforts are fully integrated through their work on eight global sector teams. The sector teams are comprised of fundamental equity analysts who cover similar industries around the world. Quantitative analysts, credit analysts and portfolio managers also belong to the teams to broaden and deepen their perspective. We believe using a collaborative global structure to share and integrate information builds better insights for our clients.

In addition, because we believe that certain ESG issues may impact the sustainable value of businesses, we integrate them into our investment process and our ownership practices to the extent that the integration of such factors is consistent with our fiduciary duty to help our clients achieve their investment objectives and protect their economic interests. Our investment team

includes dedicated ESG investment personnel who assist the investment team in evaluating ESG-related issues. In order to aid members of our equity investment team in their analysis and monitoring of critical issues, we also obtain third party research, including with respect to ESG matters. This research includes an ESG rating for each investee company and is available to all members of our investment team.

MFS' investment team also includes dedicated ESG investment personnel who support the broader investment team in assessing complex or underappreciated ESG issues. They have developed a detailed and comprehensive integration strategy designed to help the investment staff to better understand how ESG issues can impact their decision-making process. Over the past several years these collaborations have impacted security ratings, financial modelling (particularly as it relates to downside scenario analysis), portfolio construction, and has, in some cases, led to the sale or reduction of certain positions.

The day-to-day management of our proxy voting and engagement activities is performed by a proxy voting team which is comprised of three full-time employees that are dedicated to our proxy voting and engagement activities.

As described above, we also formed the MFS Sustainability Group. The MFS Sustainability Group reviews progress on our integration activities and assesses whether MFS should participate in responsible investing-related collaborative initiatives, among other activities. Finally, the MFS Responsible Investing Committee, which is comprised of individuals from across the entire organization, maintains the MFS Investment Management Policy on Responsible Investing. This document is reviewed on an annual basis to help ensure congruency with our stewardship activities, and updated as necessary.

For Further Information

For clients wishing to discuss MIMKK's activities under the Japan Stewardship Code, please contact your client service representative.

For media inquiries wishing to discuss MIMKK's activities under the Japan Stewardship Code, please contact:

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