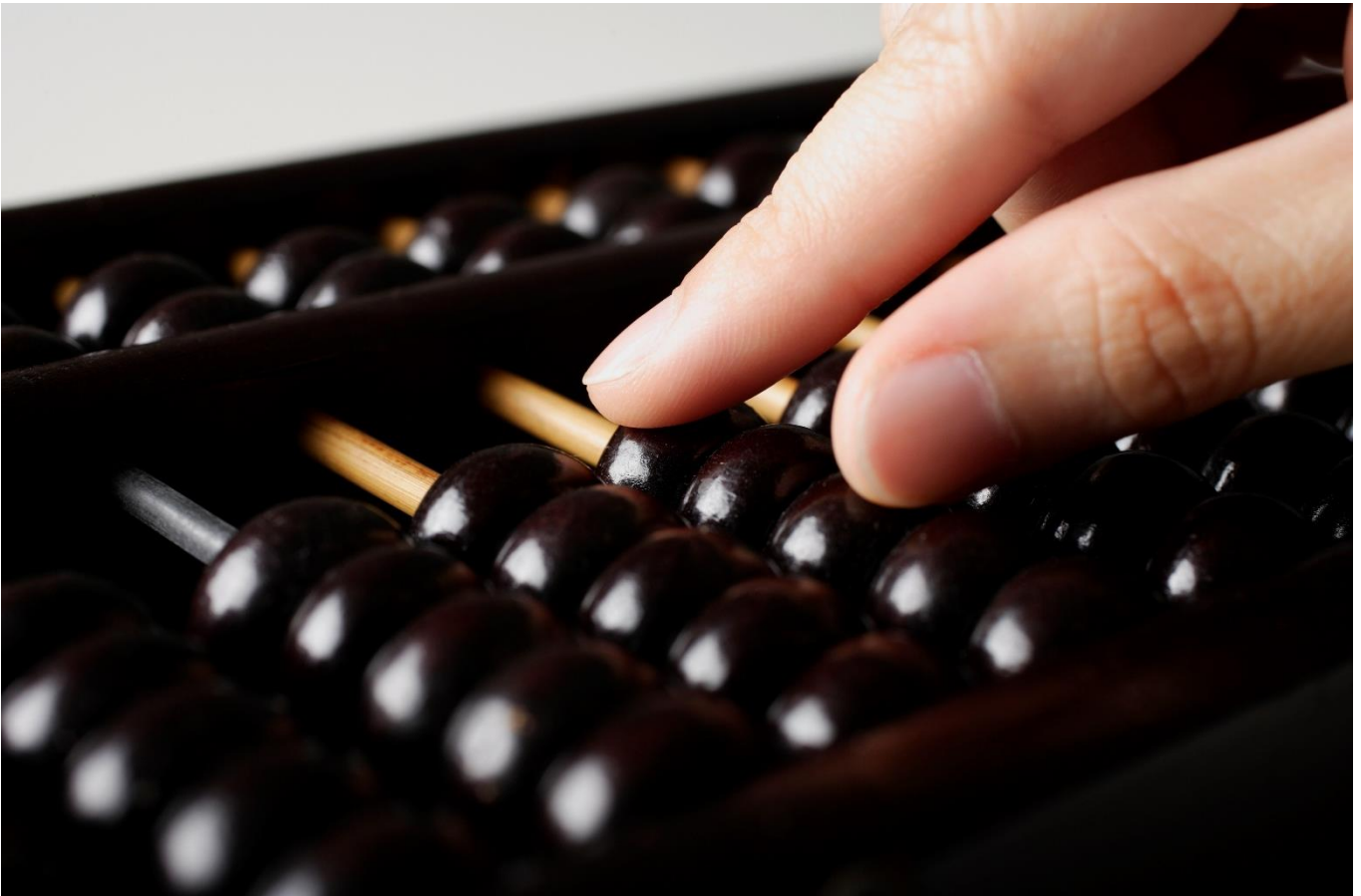


# Capital International Fund/Capital Group Fund Negative Screening Policy

28 July 2025





## Introduction

This policy describes the ESG and norms-based screening approach of Capital Group and details issuer activities which are excluded. These exclusions are applied by the Investment Adviser (as defined in Capital International Fund's ("CIF") and Capital Group Fund's ("CGF") prospectuses) to certain funds in the CIF and CGF umbrellas as specifically indicated in the relevant funds' investment policy and/or annexes (the "Funds"), and indirectly to any fund of funds or feeder funds invested into the Funds.

The nature of categories chosen to be excluded, the relevant thresholds and Capital Group's proprietary research and methodology may change over time as regulations and market demands and trends evolve. This policy may be updated from time to time accordingly.

## Policy details

The Investment Adviser identifies certain issuers that it will exclude, at the time of purchase, from the portfolios to consider/promote the environmental and/or social characteristics supported by the Funds.

The Funds apply investment restrictions rules on a pre-trade basis in portfolio management systems to prohibit investment in issuers based on the below exclusion criteria. Portfolios also undergo post-trade compliance checks.

### A. Corporate Issuers

#### Exclusions

When determining which companies to exclude from the Funds' universe, the Funds will apply either Level 1 or Level 2 exclusions in accordance with the methodologies and data sources as outlined in the policy below.

**Level 1 Exclusions:** these are the exclusion criteria applied by the Funds apart from Capital Group Future Generations Global Opportunities Fund (LUX), Capital Group Future Generations Global Balanced Fund (LUX) and Capital Group Future Generations Global Corporate Bond Fund (LUX).

**Level 2 Exclusions:** these are the more stringent exclusion criteria applied by Capital Group Future Generations Global Opportunities Fund (LUX), Capital Group Future Generations Global Balanced Fund (LUX) and Capital Group Future Generations Global Corporate Bond Fund (LUX).

Activities	Level 1 Exclusions	Level 2 Exclusions
<b>United Nations Global Compact (UNGC)</b>	Companies that, in the Investment Adviser's opinion, are violating the UNGC	
<b>Tobacco</b>	Companies generating 5% or more of their revenue from the manufacture of tobacco products	
<b>Controversial Weapons</b>	Companies with any ties to controversial weapons, including cluster munitions, landmines, biological/chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments	
<b>Nuclear Weapons</b>	Companies involved in the intentional production of nuclear missiles and warheads <sup>1</sup>	Companies generating any revenue from the production of nuclear weapons
<b>Conventional Weapons</b>	Not applicable	Companies generating 10% or more of their revenue from weapon systems, components and support systems and services
<b>Thermal Coal</b>	Companies generating 10% or more of their revenue from the production and/or distribution of thermal coal	
<b>Oil Sands</b>	Companies that generate 10% or more of their revenue from oil sands extraction	Not applicable
<b>Arctic Oil</b>	Companies that generate 10% or more of their revenue from Arctic oil production	Not applicable
<b>Oil &amp; Gas Upstream Producers</b>	Not applicable	Companies involved in the exploration & production of oil and gas

If an eligible corporate issuer held in a Fund subsequently fails a screen, the issuer will not contribute towards the environmental and/or social characteristics of the Fund and will generally be sold within six months from the date of such determination, subject to the best interests of investors in the Fund.

<sup>1</sup>These exclusions cover:

- 1) Companies that produce essential components developed or significantly modified for exclusive use in nuclear weapons. This includes the components of missile systems deployed only for carrying a nuclear warhead.
- 2) Prime contractors leading a country's nuclear missile program and the development of the entire missile, including those collaborating with government agencies to equip them with nuclear warheads.
- 3) Companies involved in the production, storage, processing or enrichment of fissile materials used for nuclear weapons.

## Methodologies and data sources

Exclusions on corporate issuers are primarily identified through a third-party provider, MSCI ESG. MSCI ESG provides a profile of each company's specific business involvement in or the revenue which they derive from activities that are inconsistent with the ESG and norms-based screens applied to the Funds.

The data sources used to determine the list of companies to be excluded are as follows:

Activities	Data sources
<b>United Nations Global Compact (UNGC)</b>	Companies are identified through MSCI's UNGC violators.
<b>Tobacco</b>	Companies are identified through MSCI's Tobacco Producer - Maximum Percentage of Revenue factor name.
<b>Controversial Weapons</b>	Companies are identified through MSCI's Controversial Weapons - Any Tie factor name.
<b>Nuclear Weapons</b>	<p>For Funds subject to Level 1 Exclusions, Companies are identified through:</p> <ul style="list-style-type: none"> <li>- MSCI's Weapons - Nuclear Intended Use Components factor name;</li> <li>- MSCI's Weapons - Warhead &amp; Missiles; and</li> <li>- MSCI's Weapons - Nuclear Fissile Materials.</li> </ul> <p>For Funds subject to Level 2 Exclusions, Companies are identified through MSCI's Weapons - Nuclear Maximum Percentage of Revenue factor name.</p>
<b>Conventional Weapons</b>	Companies are identified through MSCI's Weapons - Maximum Percentage of Revenue factor name.
<b>Thermal Coal</b>	Companies are identified through MSCI's Thermal Coal - Maximum Percentage of Revenue factor name.
<b>Oil Sands</b>	Companies are identified through MSCI's Oil Sands - Maximum Percentage of Revenue factor name.
<b>Arctic Oil</b>	Companies are identified through MSCI's Arctic Oil - Maximum Percentage of Revenue factor name.
<b>Oil &amp; Gas Upstream Producers</b>	<p>Equity: Companies are identified through Global Industry Classification Standard (GICS) "Integrated Oil &amp; Gas" and "Oil &amp; Gas Exploration &amp; Production" sub-sector classifications.</p> <p>Fixed Income: Companies are identified through Barclays Global Sector Classification (BCLASS) "Independent" and "Integrated" sectors.</p>

If exclusions cannot be verified through MSCI ESG or if the Investment Adviser believes that MSCI ESG data and/or assessment is incomplete or inaccurate, the Investment Adviser reserves the right

to identify business involvement in or the revenue which they derive from activities through its own assessment (including by using other third-party data sources).

## **B. Sovereign Issuers**

Exclusions for sovereign issuers are identified through the Investment Adviser's proprietary research. The Investment Adviser leverages data from third-party institutions such as the United Nations and the World Bank to calculate ESG scores across the sovereign universe. Sovereign issuers are evaluated on: (1) a gross national income-adjusted basis to better understand how well a country manages ESG risk relative to its wealth and available resources, as well as (2) on an absolute basis. Sovereign issuers that score below pre-defined thresholds in either category are generally not eligible for purchase by the Funds.

If the Investment Advisor believes that the third-party data and/or assessment is incomplete or inaccurate, the Investment Adviser reserves the right to identify exclusions for sovereign issuers through its own assessment. The Investment Adviser will periodically review sovereign issuers and if a previously eligible sovereign issuer held in a Fund has subsequently fallen below a pre-defined threshold, the sovereign issuer will not contribute towards the environmental and/or social characteristics of the Fund and the sovereign issuer will generally be sold within six months from the date of such determination, subject to the best interests of investors in the Fund.

Notwithstanding the above, if the Investment Adviser believes that a score is below a pre-defined threshold for a temporary or a transitory reason, the Investment Adviser may, from time to time, exercise its discretion to keep holding or purchase securities issued by the sovereign issuer. The Investment Adviser will periodically review the sovereign issuer and, to the extent the Investment Adviser believes that the score is no longer below the pre-defined threshold solely for a temporary or transitory reason, the sovereign issuer will not contribute towards the environmental and/or social characteristics of the Fund and will generally be sold within six months from the date of such determination, subject to the best interests of investors in the Fund.

## **C. Application of Exclusions**

### **Cash management**

This policy does not apply to cash, cash equivalents and money market funds.

### **Securitised Debt**

Securitized debt held in Capital Group Future Generations Global Opportunities Fund (LUX), Capital Group Future Generations Global Balanced Fund (LUX) and Capital Group Future Generations Global Corporate Bond Fund (LUX) will be subject to the exclusions described in this policy.

This policy does not otherwise apply to securitized debt held in any other Funds, however. Such investments will therefore not be treated as contributing towards the environmental and/or social characteristics of the other Funds.

### **Derivatives**

Index derivatives that are used for efficient portfolio management, hedging and/or investment purposes will not be assessed on a look-through basis. Therefore, there may be circumstances where

a Fund may gain indirect exposure to an issuer involved in a screened activity through such an instrument.

Single-name derivatives, on the other hand, will be subject to this policy by reference to the underlying corporate issuer.

The Investment Adviser will ensure that collateral instruments received are aligned with this policy.

### **Quasi-Sovereign Issuers**

Quasi-sovereign issuers are generally assessed against both the corporate issuer framework and the sovereign issuer framework. However, the Investment Adviser may assess certain quasi-sovereigns differently (e.g., it might not apply both the corporate and sovereign screens) as deemed appropriate and relevant by the Investment Adviser.

### **D. Data Coverage**

In implementing the exclusions outlined above, the Investment Adviser may be reliant on third-party data or a combination of third-party data and Capital Group's proprietary research and analysis. Capital Group performs ongoing due diligence on third-party data sources and endeavours to ensure that third-party data is reliable. However, such data might not capture the full universe of activities of an issuer, change suddenly, be flawed, inaccurate, incomplete or outdated, resulting in a Fund's investment in an issuer which an investor may expect to be excluded from the portfolio.

Third-party data providers may from time to time change the way they present data on issuers, or assess, screen or categorize issuers. These changes might be implemented with limited or no advanced notice. In such cases, Capital Group might not be able to reflect such changes immediately or may intentionally delay implementing such changes to allow sufficient time to understand them and ensure they are incorporated in a way that aligns with the objectives of impacted Funds.

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