



**PUBLIC TRANSPARENCY REPORT**

**2023**

**Fidelity International**

Generated 15-12-2023

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

At Fidelity International, our purpose is to work together to build better financial futures for our clients and we believe that investing over the long term is critical to achieving that. As a family and management-owned company, we think generationally in terms of the services we build and provide and the way in which we invest on our clients' behalf. Our focus is on delivering sustainable investment returns for our clients, while managing our impact on society and the environment. To do this, we incorporate sustainability into our business operations and our investment process, working with investee companies to help them operate more sustainably in order to deliver those long-term returns and secure a better future for all. We consider the longer-term consequences of our actions in both financial and societal terms. Increasingly, this means protecting and enhancing our client returns in a way that helps create a more sustainable financial system for society as a whole. As global investment managers, how we hold investee issuers to account today will help shape how sustainable tomorrow will be. Delivering outstanding results for our clients requires us to constantly evolve. This evolution is reflected in our Sustainable Investing Beliefs:

1. Sustainability integration leads to better long-term financial, environmental and social outcomes for clients and a broad set of stakeholders. As active investment managers, we integrate material sustainability considerations into our fundamental research because we believe it can drive better decisions and outcomes, which are integral to the financial futures of our clients.
2. Effective stewardship combines bottom-up, thematic, and system-wide approaches. Our approach to stewardship is grounded in the fact that as a large and diversified investment manager across multiple geographies, sectors, and asset classes, we are exposed to systemic environmental and social issues. Effective and outcomes-focused stewardship combines bottom-up corporate engagement, top-down thematic engagement, and system-wide stewardship.

3. Blending a global mindset and local understanding helps us to deliver insightful research and positive stewardship outcomes. Stewardship and integration of sustainability issues must take into account local context to be effective, and respect differences in geographic, economic, social and cultural factors. As a global firm with a local presence in many markets, we are well positioned to navigate these challenges and generate differentiated insight and outcomes.

Integrating sustainability factors into our investment process has the potential to positively impact the short and long-term value of issuers and can protect and enhance investment returns. The thesis, simply put, is that considering and managing environmental and societal impact, and seizing associated opportunities, can help support resilience and long-term value creation. Our approach starts with integrating sustainability factors into our fundamental bottom-up research, which can lead to more complete analysis and better-informed investment decisions. We then help issuers progress on sustainability matters by exercising our ownership rights and actively engaging with investee issuers individually and through collaboration. In this way, Fidelity seeks to help issuers and the broader financial system become more sustainable, resilient, and inclusive. Our approach to integration is driven by fundamental research and insights. Our tools include our proprietary ESG Ratings, Climate Ratings and our Sustainable Development Goals (SDG) tool, which enable us to gain a forward-looking, holistic view of an issuer's sustainability profile.

Fidelity is a member of the Net Zero Asset Managers Initiative and has committed to halve the carbon footprint of our investment portfolios by 2030, from a 2020 baseline, and to reach net zero by 2050 (for our equity and corporate bond holdings, we have set specific emissions reduction targets for real estate and our default workplace retirement solution FutureWise). This target is consistent with a 1.5 degree pathway in line with the goals of the Paris Agreement. We have developed a climate investing policy to help us get there. We believe it will be effective in mitigating climate-related risks and reducing real-world emissions, working alongside the clients who entrust us with their capital and the companies in which we invest.

We are a member of several industry initiatives including the Finance for Biodiversity Pledge. As a part of this pledge, we have several commitments which include assessing impact and setting targets to report on biodiversity matters before 2025. We are also contributing to discussions around what the TNFD should eventually contain. We have launched several biodiversity related thematic engagements with companies in sensitive sectors to assess risks and best practices to further develop target setting and biodiversity integration.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

In the face of increasing sustainability regulation and growing client demand, we continually review our approach to integrating sustainability into our investment processes to understand where we can improve or adapt them. These include our top-down frameworks for regulatory compliance and risk management (see our macro team's latest paper on capital market assumptions in relation to climate), and our bottom-up research insights and tools that help us engage with and make decisions about our investee companies. We find that having a range of tools gives us more granular and forward-looking insights into which companies are truly sustainable. Employee training and client updates are regularly provided as the tools evolve. Some of our 2022 key achievements include:

-We introduced an influence framework to identify opportunities to engage with a wider set of stakeholders to encourage change in a more holistic and effective manner that is beneficial to our investee companies and ultimately our clients. We aim to engage on these systemic themes over a multi-year timeframe, and within these address relevant sub-themes. Many of our engagements are intended to address more than one systemic theme as they often interconnect. For example, biodiversity loss is a key driver of climate change, and vice versa.

-We focused on developing a Deforestation Framework to address the risks of commodity-driven deforestation in our investment portfolios by 2025 and to support investee company efforts to achieve net zero targets. The framework builds on previous engagements with those companies most exposed to deforestation caused by agricultural commodities like palm oil and forms a key part of our approach to a theme that is increasingly being discussed in 2023 - nature and biodiversity.

-We launched our revised proprietary ESG ratings framework and introduced additional tools to support ESG integration, which are used in conjunction with data from third-party providers. Fidelity ESG ratings aim to provide a forward-looking assessment of the extent to which an issuer's performance on material sustainability issues supports or is likely to impair long-term value creation for shareholders. Fidelity's ESG ratings are clearly defined to measure how an issuer manages negative ESG externalities and material business risks. The assessment provides a granular and forward-looking view of an issuer's ESG performance with an overall rating, E/S/G pillar score, and a trajectory rating.

-We made further progress on assigning ratings which embed the principles of double materiality to issuers across the equity and fixed income universes driven by the need for better quality information and the changing regulatory environment. We continued to update existing ratings as part of a dynamic process.

-Climate Rating: as a founding signatory of the Net Zero Asset Manager Initiative, Fidelity has pledged to halve its investment portfolio emissions by 2030 and achieve net zero by 2050. We aim to achieve this by engaging with investee companies on their transition and their management of climate risks and opportunities. To that end, we launched the Climate Rating in 2022 to assess the net zero transition potential of issuers based on a 1.5°C decarbonisation pathway.

- UN Sustainable Development Goals (SDG) tool was introduced to assess a company's positive contribution to environmental and social outcomes as per the investible targets and indicators under the 17 UN SDGs. This standalone tool provides a separate analysis from the Fidelity ESG ratings to avoid offsetting a risk with an unrelated positive contribution (e.g. the risk of poor corporate governance or major business disruption is not offset by selling products that help the energy transition). Fidelity also uses the SDG tool to identify positive environmental or social impact of issuers based on SFDR requirements.

-Quarterly Sustainability Review (QSR) was introduced in Q1 to measure and monitor progress of a fund and the respective manager on the integration of sustainability factors. The objective of the QSR is to demonstrate how sustainability is incorporated into fund portfolio construction and how it influences investment decisions. The review process, which sits alongside the Quarterly Financial Review of funds, involves a collaborative effort across various teams and is run by senior management and chief investment officers together with the Sustainable Investing team. Rolled out to all SFDR A8/9 funds.

-Fidelity contributed to transition plans discussions through our engagements with regulators and standard setters, responding to consultations on the type of disclosure needed to make robust investment decisions and how to build capacity for sustainability reporting across economies. We have encouraged regulators to ensure as much global interoperability as possible and to integrate nature-related metrics as these emerge. The social aspects of the transition remain crucial.

### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

At Fidelity, we continually review how we prioritise and focus our active ownership efforts. As part of this process, we select key themes annually that help us guide our engagements as well as establish systemic themes that will inform our engagements in 2023 and beyond.

**Climate: Just transition and high emitters:** We will continue to pursue our key sub-theme around the just transition, with thermal coal remaining the priority as we roll out our corporate engagement programme in Asia Pacific and extend our policy engagement efforts, which will be informed by our learnings from discussions with our investee companies. Continued dependence on thermal coal for power generation despite warnings and increasingly viable alternatives reflects the highly complex systems of incentives and interests involved. We are therefore looking beyond engagement with our direct exposure at the extremes of the value chain (power generation and mining) to other enablers and interested parties who can unlock the opportunities needed to decarbonise, tackling the issue systemically. In 2022, we contributed to various policy consultations and workstreams including those run by the Glasgow Financial Alliance for Net Zero (GFANZ) and the Powering Past Coal Alliance (PPCA). We are also a founding participant of the Just Transition Finance Challenge, which aims to mobilise more public and private capital into investments that support a just transition through development of a voluntary product label. The criteria for the label were unveiled following public consultation in 2023 and aim to ensure three critical elements of a just transition: advancing climate and environmental action, improving socio-economic distribution and equity, and increasing community voice. In 2023, we aim to carry over some of this experience to our top 70% emitters across all sectors and engage with them on their transition pathways, supporting adoption of clean alternatives through existing technologies such as wind and solar and emerging technologies such as hydrogen and batteries. We are also engaging at policymaker level on forthcoming disclosure frameworks such as the ISSB and the European Sustainability Reporting Standards prescribed by CSRD and highlighting the need for global compliance carbon markets. As more companies disclose transition plans, we expect more of a spotlight on policy barriers to achieving net zero.

Nature: Deforestation, biodiversity, and natural capital As mentioned above, deforestation sits at the intersection between climate change and nature; given the importance of trying to eliminate it from our portfolios, we will continue to engage with companies on ending deforestation across agricultural commodities that pose the greatest risk. In 2023, we will also be encouraging boards to show a greater understanding of their companies' deforestation risk. We recently amended our voting guidelines to support this engagement. The amendment will enable us to escalate concerns on deforestation risk to votes against members of the board at companies in high-risk sectors that do not adequately meet our deforestation-related expectations.

Social: Social concerns were aggravated in 2022 by substantial increases in the cost of living that came hard on the heels of the pandemic and the Russia-Ukraine conflict. In addition to engaging with senior executives on pay levels during the crisis, we continued to build on our engagements in other areas such as the social license to provide transition metals where pricing pressures typically heighten associated risks, modern slavery, and digital ethics. Through engagement with the Minerals Council of Australia (MCA) and the International Council on Mining and Metals (ICMM), we identified that the sector is increasingly losing its appeal to younger generations, which is leading to universities closing their mining programs or activists sabotaging the sector. This presents a medium to long-term bottleneck for the sector and we are committed to continue engaging with corporate, university and local stakeholders focused on developing the skills required for a sustainable Australia. We did a specific deep dive on the Australian mining sector's ability to access talent, particularly in a tight labour environment in 2022. We are also part of the Investors Against Slavery and Trafficking initiative in Asia-Pacific known as IAST APAC. It was established by asset owners and managers in 2020 to promote effective action by companies to find, fix and prevent modern slavery, labour exploitation and human trafficking. It comprises 37 asset owner and asset manager members, representing AU\$8.2 trillion in assets under management (AUM). Members are based in APAC countries, including Australia, Hong Kong, Japan and Singapore and focus on investor advocacy and company engagement.

#### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Jenn-Hui Tan

Position

Chief Sustainability Officer

Organisation's Name

Fidelity International

A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework.

The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

B



This endorsement applies to the Senior Leadership Statement as well as information reported across the various modules of the Reporting Framework

The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'

# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2022

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2.1	CORE	OO 2	OO 2.2	PUBLIC	Subsidiary information	GENERAL

Are any of your organisation's subsidiaries PRI signatories in their own right?

- (A) Yes
- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2.2	CORE	OO 2.1	N/A	PUBLIC	Subsidiary information	GENERAL

How many subsidiaries of your organisation are PRI signatories in their own rights?

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

List any subsidiaries of your organisation that are PRI signatories in their own right and indicate if the responsible investment activities of the listed subsidiaries will be reported in this submission.

(1) Yes, the responsible investment activities of this subsidiary will be included in this report

(2) No, the responsible investment activities of this subsidiary will be included in their separate report

(A) Signatory name: Fidelity Investments Canada  
ULC

## ASSETS UNDER MANAGEMENT

### ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 354,385,789,617.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 144,703,208,881.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 145,800,000,000.00

### ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	>50-75%	>10-50%
(B) Fixed income	>10-50%	>0-10%
(C) Private equity	0%	0%
(D) Real estate	>0-10%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	>0-10%	>0-10%
(J) Off-balance sheet	0%	0%

**(I) Other - (1) Percentage of Internally managed AUM - Specify:**

Money market funds

**(I) Other - (2) Percentage of Externally managed AUM - Specify:**

External fund-of funds

## ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a further breakdown of your organisation's externally managed listed equity and/or fixed income AUM.

	(1) Listed equity	(2) Fixed income - SSA	(3) Fixed income - corporate	(4) Fixed income - securitised	(5) Fixed income - private debt
(A) Active	>10-50%	0%	>75%	0%	0%
(B) Passive	>50-75%	0%	0%		

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2	CORE	OO 5, OO 5.1	SAM 3, SAM 8	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

	(1) Segregated mandate(s)	(2) Pooled fund(s) or pooled investment(s)
(A) Listed equity - active	>0-10%	>75%
(B) Listed equity - passive	>0-10%	>75%
(C) Fixed income - active	>10-50%	>75%

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity 0%

(B) Active – quantitative >0-10%

(C) Active – fundamental >75%

(D) Other strategies 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

**Provide a further breakdown of your internally managed fixed income AUM.**

(A) Passive – SSA 0%

(B) Passive – corporate 0%

(C) Active – SSA >10-50%

(D) Active – corporate >75%

(E) Securitised >0-10%

(F) Private debt >0-10%

## ASSET BREAKDOWN: INTERNALLY MANAGED REAL ESTATE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 RE	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed real estate	GENERAL

**Provide a further breakdown of your internally managed real estate AUM.**

(A) Retail >10-50%

(B) Office >10-50%

(C) Industrial >10-50%

(D) Residential 0%

(E) Hotel 0%

(F) Lodging, leisure and recreation 0%

(G) Education 0%

(H) Technology or science >0-10%

(I) Healthcare >0-10%

(J) Mixed use 0%

(K) Other 0%

## MANAGEMENT BY PRI SIGNATORIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6	CORE	OO 5	N/A	PUBLIC	Management by PRI signatories	GENERAL

What percentage of your organisation's externally managed assets are managed by PRI signatories?

>75%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

### AUM in Emerging Markets and Developing Economies

(A) Listed equity	(3) >10 to 20%
(B) Fixed income – SSA	(2) >0 to 10%
(C) Fixed income – corporate	(2) >0 to 10%
(D) Fixed income – securitised	(1) 0%
(E) Fixed income – private debt	(1) 0%
(G) Real estate	(1) 0%



## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(2) Listed equity - passive	(3) Fixed income - active	(6) Real estate	(11) Other
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

**(1) Listed equity - active****(2) Listed equity - passive**

(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

**For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?**

**Percentage of your listed equity holdings over which you have the discretion to vote**

(A) Listed equity – active	(11) >90 to <100%
(B) Listed equity - passive	(1) 0%

# ESG INCORPORATION

## INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

**For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?**

	(1) Yes, we incorporate ESG factors into our investment decisions	(2) No, we do not incorporate ESG factors into our investment decisions
(B) Listed equity - active - quantitative	<input checked="" type="radio"/>	<input type="radio"/>
(C) Listed equity - active - fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(E) Fixed income - SSA	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income - corporate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income - securitised	<input checked="" type="radio"/>	<input type="radio"/>
(H) Fixed income - private debt	<input checked="" type="radio"/>	<input type="radio"/>
(J) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(V) Other: Money market funds	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER SELECTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager selection	1

For each externally managed asset class, does your organisation incorporate ESG factors when selecting external investment managers?

	(1) Yes, we incorporate ESG factors when selecting external investment managers	(2) No, we do not incorporate ESG factors when selecting external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: External fund-of funds	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER APPOINTMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager appointment	1

For each externally managed asset class, does your organisation incorporate ESG factors when appointing external investment managers?

	(1) Yes, we incorporate ESG factors when appointing external investment managers	(2) No, we do not incorporate ESG factors when appointing external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: External fund-of funds	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager monitoring	1

**For each externally managed asset class, does your organisation incorporate ESG factors when monitoring external investment managers?**

	(1) Yes, we incorporate ESG factors when monitoring external investment managers	(2) No, we do not incorporate ESG factors when monitoring external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: External fund-of funds	<input checked="" type="radio"/>	<input type="radio"/>

## ESG IN OTHER ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 15	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG in other asset classes	1

### Describe how your organisation incorporates ESG factors into the following asset classes.

Internally managed  
(C) Other

Integration of sustainability within Fidelity's investment process is covered by a three layered framework that is designed to be modular in nature to enable Fidelity to deliver investment solutions to clients and manage ESG risks borne by our products, while responding to the evolving demands of the regulatory environment. The three layers are outlined below:

1. Frameworks and standards: The foundation of robust sustainable investing practices consists of data, frameworks and standards. This provides a common language to mobilise efforts across Fidelity International to work together in building sustainable financial futures. Within this layer, we establish frameworks for the sustainability classification of our funds and aim to align standards with relevant sustainability legislation or sustainability labels, as required. We also aim to integrate client requirements, Investment Management (IM) and Risk teams' considerations.
2. Tools: Building on the data, frameworks and standards created in the first layer, the second layer consists of different sustainability tools and modules that will evolve to meet dynamic requirements. This involves building digital tools to support effective analysis, integration and reporting of sustainability factors in our investment and risk management processes. This captures Fidelity's proprietary ratings, engagement, voting, research, fund monitoring, and reporting.
3. Communication, products, and services: The final layer builds on the frameworks, data sets, tools, and modules to deliver a robust, consistent, and transparent range of investment products and solutions to clients while also providing relevant training and support to internal and external partners when approaching sustainability

Our Voting Principles and Guidelines explicitly identify minimum standards that we expect issuers to adhere to, including setting and reporting on ambitious targets aligned to the UN's Paris Agreement on climate change (Paris Agreement). The expectations captured in our climate voting policy are applicable to all issuers in which we invest, extending to asset classes beyond equity, such as fixed income and private assets, where we may not have voting rights

Fidelity launched the Sustainable Family (SF), a cross-asset class fund range with a focus on environmental, social and governance (ESG) factors. The SF funds' investment universe is driven by selecting issuers with favourable and/or improving ESG characteristics, whilst aiming to achieve compelling long-term financial performance and outperformance of their benchmarks. Specific fund types such as money markets funds and real estate funds have alternative treatments to reflect their respective investment strategies and asset class; however, all follow the overall philosophy of Fidelity's SF of predominantly having investments in issuers with favourable or improving ESG characteristics

Refer to our Sustainable Investing Principles document <https://s3-eu-west-1.amazonaws.com/euissmultisiteprod-live-8dd1b69cadf7409099ee6471b87c49a-7653963/international/PDF/download-material/sustainable-investing-principles.pdf>, which addresses our sustainable investing approach across Fidelity's asset classes and the regions in which we invest

Externally managed

## (F) Other

As part of the selection process for external sub-advisors, Fidelity International considers such sub-advisors' policies on sustainability and requires sub-advisors to integrate sustainability as part of their investment decision-making process. Fidelity International also conducts ongoing due diligence on whether such sub-advisors integrate sustainability in a similar manner to Fidelity International.

We include ESG questionnaire in our operational due diligence and have regular engagement with external investment managers. Where an external manager has elements of their Sustainable Investing approach that are substantively similar to FIL's approach - subject to confirmation that the 3rd party manager's approach is of sufficient rigor and standards - FIL may consider the 3rd party manager to be in compliance with FIL's internal requirements. It may be that these rules are delivered directly as part of the investment process or integrated within an index that the investment manager is responsible for replicating.

Engagement with external investment managers takes place at strategy level through the Solutions & Multi Asset manager research team. For equity strategies, the manager research analysts look for evidence of proactive engagement across environmental, societal or governance issues, targeting specific and measurable outcomes. For fixed income strategies, the manager research analysts team look for a record of proactive engagement across investment (issuance or refinancing), monitoring, and reverse inquiries.

## ESG STRATEGIES

### LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

#### Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?

##### Percentage out of total internally managed active listed equity

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	>75%
(E) Thematic and integration	0%
(F) Screening and thematic	0%

(G) All three approaches combined >0-10%

(H) None 0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

**What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?**

**Percentage coverage out of your total listed equity assets where a screening approach is applied**

(A) Positive/best-in-class screening only

0%

(B) Negative screening only

>50-75%

(C) A combination of screening approaches

>10-50%

## FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?**

**(1) Fixed income - SSA**

**(2) Fixed income - corporate**

**(3) Fixed income - securitised**

(A) Screening alone

0%

0%

0%

(B) Thematic alone

0%

0%

0%



(C) Integration alone	0%	0%	0%
(D) Screening and integration	>75%	>75%	>75%
(E) Thematic and integration	0%	0%	0%
(F) Screening and thematic	0%	0%	0%
(G) All three approaches combined	0%	>0-10%	0%
(H) None	0%	0%	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

**What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?**

	(1) Fixed income - SSA	(2) Fixed income - corporate	(3) Fixed income - securitised
(A) Positive/best-in-class screening only	0%	0%	0%
(B) Negative screening only	>75%	>50-75%	>75%
(C) A combination of screening approaches	0%	>10-50%	0%

# ESG/SUSTAINABILITY FUNDS AND PRODUCTS

## LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

**(A) Yes, we market products and/or funds as ESG and/or sustainable**

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>10-50%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

**Additional information: (Voluntary)**

SFDR includes specific disclosure requirements for funds that integrate sustainability risks (Article 6), promote environmental or social characteristics (Article 8), or have a sustainable investment objective (Article 9). This response include all Article 8 and 9 funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

**Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?**

**(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications**

Provide the percentage of AUM that your labelled and/or certified products and/or funds represent:

>0-10%

- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.2	CORE	OO 18.1	N/A	PUBLIC	Labelling and marketing	1

#### Which ESG/RI certifications or labels do you hold?

- (A) Commodity type label (e.g. BCI)
- (B) GRESB**
- (C) Austrian Ecolabel (UZ49)**
- (D) B Corporation
- (E) BREEAM**
- (F) CBI Climate Bonds Standard
- (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- (I) EU Ecolabel
- (J) EU Green Bond Standard
- (K) Febelfin label (Belgium)
- (L) Finansol
- (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (N) Greenfin label (France)
- (O) Grüner Pfandbrief
- (P) ICMA Green Bond Principles
- (Q) ICMA Social Bonds Principles
- (R) ICMA Sustainability Bonds Principles
- (S) ICMA Sustainability-linked Bonds Principles
- (T) Kein Verstoß gegen Atomwaffensperrvertrag
- (U) Le label ISR (French government SRI label)
- (V) Luxflag Climate Finance
- (W) Luxflag Environment
- (X) Luxflag ESG**
- (Y) Luxflag Green Bond
- (Z) Luxflag Microfinance
- (AA) Luxflag Sustainable Insurance Products
- (AB) National stewardship code**  
Specify:
  - UK Stewardship Code
  - Singapore Stewardship Code
  - Hong Kong Stewardship Code
  - Japan Stewardship Code
  - Taiwan Stewardship Code
- (AC) Nordic Swan Ecolabel
- (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
- (AE) People's Bank of China green bond guidelines
- (AF) RIAA (Australia)
- (AG) Towards Sustainability label (Belgium)**
- (AH) Other

## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 17 FI	FI 15, FI 17	PUBLIC	Thematic bonds	1

**What percentage of your total environmental and/or social thematic bonds are labelled by the issuers in accordance with industry-recognised standards?**

**Percentage of your total environmental and/or social thematic bonds labelled by the issuers**

(A) Green or climate bonds	>10-50%
(B) Social bonds	0%
(C) Sustainability bonds	0%
(D) Sustainability-linked bonds	0%
(E) SDG or SDG-linked bonds	0%
(F) Other	>75%
(G) Bonds not labelled by the issuer	0%

**(F) Other - Specify:**

Green bonds are labelled but not considered CBI aligned.

# SUMMARY OF REPORTING REQUIREMENTS

## SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) Listed equity – active – quantitative	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(G) Fixed income – securitised	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(H) Fixed income – private debt	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(J) Real estate	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

(T) External manager selection, appointment and monitoring (SAM) – listed equity - active

(U) External manager selection, appointment and monitoring (SAM) – listed equity - passive

(V) External manager selection, appointment and monitoring (SAM) – fixed income - active

## OTHER ASSET BREAKDOWNS

### REAL ESTATE: BUILDING TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 24	CORE	OO 21	RE 1, RE 9 - 10	PUBLIC	Real estate: Building type	GENERAL

What is the building type of your physical real estate assets?

- (A) Standing investments
- (B) New construction
- (C) Major renovation

### REAL ESTATE: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 25	CORE	OO 21	N/A	PUBLIC	Real estate: Ownership level	GENERAL

What is the percentage breakdown of your physical real estate assets by the level of ownership?

- (A) A majority stake (more than 50%)
  - Select from the list:
    - (1) >0 to 10%
    - (2) >10 to 50%
    - (3) >50 to 75%
    - (4) >75%
- (B) A significant minority stake (between 10–50%)
- (C) A limited minority stake (less than 10%)

## REAL ESTATE: MANAGEMENT TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 26	CORE	OO 21	RE 1, RE 6–8, RE 13	PUBLIC	Real estate: Management type	GENERAL

### Who manages your physical real estate assets?

- (A) Direct management by our organisation
- (B) **Third-party property managers that our organisation appoints**
- (C) Other investors or their third-party property managers
- (D) **Tenant(s) with operational control**

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

### How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) **Publish as ranges**

# POLICY, GOVERNANCE AND STRATEGY (PGS)

## POLICY

### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here

Specify:

SFDR disclosures and PAI statement

- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues

Specify:



- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

**Which elements of your formal responsible investment policy(ies) are publicly available?**

**(A) Overall approach to responsible investment**

Add link:

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/sustainable-investing-principles.pdf>

**(B) Guidelines on environmental factors**

Add link:

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/sustainable-investing-principles.pdf>

**(C) Guidelines on social factors**

Add link:

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/sustainable-investing-principles.pdf>

**(D) Guidelines on governance factors**

Add link:

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/sustainable-investing-principles.pdf>

**(E) Guidelines on sustainability outcomes**

Add link:

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/sustainable-investing-principles.pdf>

**(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

[https://professionals.fidelity.co.uk/static/master/media/pdf/esg/fidelity\\_climate\\_change](https://professionals.fidelity.co.uk/static/master/media/pdf/esg/fidelity_climate_change)

**(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/sustainable-investing-principles.pdf>

**(H) Specific guidelines on other systematic sustainability issues**

Add link:

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/deforestation-framework.pdf>

**(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

<https://professionals.fidelity.co.uk/static/master/media/pdf/download-material/Fidelity-Real-Estate-Sustainability-Policy-2021.pdf>

**(J) Guidelines on exclusions**

Add link:

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/exclusion-policy.pdf>

**(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/fidelity-engagement-policy.pdf>

**(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/fidelity-engagement-policy.pdf>

**(O) Stewardship: Guidelines on (proxy) voting**

Add link:

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/Fidelity-Voting-Principles-Guidelines.pdf>

(P) Other responsible investment aspects not listed here

(Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

**(A) Yes**

Elaborate:

At Fidelity, we recognise that maintaining our privileged position as one of the largest asset managers in the world is contingent on our ability to continue meeting and exceeding investors' growing expectations for sustainable investing. To this end, our size and scale provide us with a deep level of corporate access, and we see it as our fiduciary duty to use this to influence corporate behaviours for better long-term investment outcomes. In line with our Sustainable Investment beliefs referred to earlier, we believe more sustainable corporate behaviour drives better financial outcomes in the long term, and we have developed a set of guiding principles and best practices that we expect issuers to adopt. These embed the principles of double materiality; businesses must understand and manage their exposures, as well as their impacts. Our approach and expectations of corporates on broad topics are detailed in our Sustainable Investing Principles document. From a 1LOD perspective, the Investment Risk Committee has an objective to assess that FIL portfolio strategies are managed in line with client expectations and in accordance with fiduciary duties. The committee also serves as evidence of the oversight of the investment process within the 1LOD

Refer to the full document here for details on Pages 8, 20 to 26

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/sustainable-investing-principles.pdf>

- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?**

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme

Add link(s):

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/sustainable-investing-principles.pdf>

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/Fidelity-Voting-Principles-Guidelines.pdf>

- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment  
 (B) Guidelines on environmental factors (7) 100%  
 (C) Guidelines on social factors  
 (D) Guidelines on governance factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

**What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?**

#### AUM coverage

(A) Specific guidelines on climate change (1) for all of our AUM

(B) Specific guidelines on human rights (1) for all of our AUM

(C) Specific guidelines on other systematic sustainability issues (1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?**

(A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(B) Fixed income

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(D) Real estate

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(I) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

## GOVERNANCE

### ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

**Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?**

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent

Specify:

The Board exercises oversight of sustainability issues through input from Fidelity International's senior executives and groups within the firm including the Chief Executive Officer (CEO), the Audit and Risk Committee (ARC), and the Sustainable Investment Operating Committee (SIOC).

Portfolio managers are held accountable by their Chief Investment Officer (CIO) as to how sustainable investing forms part of their investment decision making and risk management processes

- (C) Investment committee, or equivalent

Specify:

The review and oversight of sustainable investing matters are vested in the Sustainable Investing Operating Committee (SIOC). SIOC sets policies and objectives for sustainable investing and monitors progress across Fidelity's business units. Investment Risk Committees (IRCs) are responsible for management oversight of investment risks including ESG-related risks

- (D) Head of department, or equivalent

Specify department:

Chief Sustainability Officer

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

- (A) Yes  
Describe how you do this:

In relation to managing system-wide risk, we see a favourable policy environment as essential to limiting negative impacts on the value of our client's funds, and policy engagement as a necessary pillar within our engagement strategy. The Strategic Relationship Management and Public Policy Team drives and co-ordinates official contact with government departments, policy makers, and regulatory bodies across the jurisdictions in which we operate, with our Sustainable Investing team taking the lead on sustainability-related policy formation. We use our market position, industry knowledge and expertise to shape the nature of prospective regulation to ensure that the corporate interests of our customers are best protected. We focus on regulatory developments that affect Fidelity as a firm, particularly with the aim of filling sustainability policy gaps and creating opportunities to accelerate the transition. We respond to policy and regulatory consultations and make suggestions for improvements, which may be identified by our analysts, Public Policy team, Sustainable Investing team or through issuer engagements, to address systemic issues. We engage both via associations and bilaterally with regulators on regulation and policy covering a range of topics. In 2022, we focused on influencing policy that supports us in delivering sustainable finance, including policy requiring the corporate disclosures we need to assess sustainability of issuers and classifying our products as sustainable to help drive client flows into sustainable outcomes as well as policy that supports our net zero and deforestation commitments. We think we effectively communicated our views in these engagement activities, but many of the regulations we engaged on remain works in progress, so it is unclear to what extent our input will be taken on board.

Our governance structure supports oversight and accountability for effective stewardship at the most senior levels of the organisation. Our Sustainable Investing Operating Committee (SIOC), which refers to Fidelity's senior executive committee, the Global Operating Committee (GOC), sets objectives for sustainable investing and monitors progress across Fidelity's business units. Its responsibilities include monitoring the policy and regulatory environment as regards sustainable investing and ESG risks and facilitating compliance with local regulations.

We are constantly seeking to improve our governance over stewardship. Our evaluation of SIOC's work in 2021 led to the formation of several working groups of technical experts in 2022 and early 2023 to advise SIOC on discrete areas of sustainability and stewardship. These include the Thematic Engagement Oversight Group (TEOG), which advises on Fidelity's sustainability engagement programmes. Our observation has been that the formation of TEOG has been valuable in providing SIOC with additional technical expertise and resource to assess and scrutinise Fidelity's ESG engagement programmes. In particular, the group is helping SIOC to more closely track the progress of its thematic engagements, prioritise existing commitments, scrutinise proposed new commitments, and recommend cessation of engagement activities for programmes which may not be yielding sufficient progress or which no longer align to the firm's priorities. Furthermore, the Sustainability Investing Portfolio Office (SIPO) continues to provide regular reporting to SIOC on the progress and execution of key regulatory and strategic change initiatives.

- o (B) No
- o (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

**(A) Internal role(s)**

Specify:

Investment analysts, Sustainable investing teams, portfolio managers , CIO (asset classes )

**(B) External investment managers, service providers, or other external partners or suppliers**

Specify:

As part of the selection process for external sub-advisors, Fidelity International considers such sub-advisors' policies on sustainability and requires sub-advisors to integrate sustainability as part of their investment decision-making process. Fidelity International also conducts ongoing due diligence on whether such sub-advisors integrate sustainability in a similar manner to Fidelity International

- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

**(A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent**

Describe: (Voluntary)

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

**(A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Indicate whether these responsible investment KPIs are linked to compensation

**(1) KPIs are linked to compensation**

- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

## Describe: (Voluntary)

Fidelity's approach to remuneration has always been designed to support the long-term business interests of Fidelity's shareholders (which in turn are based on delivering value to our customers over the long term), to reflect the asset management risk model and to deliver long-term sustainability. This model is consistently applied locally to each subsidiary entity in our international network.

Fidelity's compensation approach:

- is globally consistent, underpinned by a common philosophy and guiding principles which is overseen and supervised by the Remuneration Committee.
- is consistent with and promotes effective risk management, including (amongst other things) sustainability risks.
- is consistent with the interests of both our clients and our shareholders, and
- is in line with business results.

Fidelity's compensation structures are designed to align the interests of its portfolio managers with the interests of the strategies they manage and that of the clients. A large part of portfolio manager remuneration is aligned to the performance of their strategies. Individual performance is measured over a longer term duration (typically over three to five years) which incorporates an evaluation of measures of sustainability, balanced view on the investment process followed, long term investment performance delivered for our clients and several other financial and non-financial measures. We consider sustainability risks including (amongst other things) compliance with applicable policies, fund governance requirements and procedures, including our disclosures in relation to sustainability risks.

ESG is integrated into our in-depth company and industry analysis and forms a material part of our investment process. Investment professionals are remunerated based in part upon the creation of alpha in following this investment process and the extent to which client objectives are met. Investment analysts are compensated on the quality of their recommendations and research notes, which include an assessment of ESG factors. At this stage analysts are not formally compensated on their ESG analysis, but rather their overall ability to select companies that deliver superior and sustainable long-term performance. A portfolio manager's remuneration will be linked to ESG considerations if his/her portfolios have particular ESG restrictions/requirements. The Sustainable Investing team are incentivised based on the company's development in ESG and the team's success in implementing the firm's ESG policies. The relevant employees in charge of sustainability initiatives across our corporate sustainability team are compensated in the overall year-end appraisal, based on project ESG outcomes. We have a corporate wide environmental goal and metrics. They are factored into our year-end appraisal and compensation outcome as appropriate

Please refer to Fidelity's Sustainable Finance Disclosure Regulation report available on our website via the following link: [sfd-disclosures-uk.pdf \(fidelity.co.uk\)](#).

Fidelity's remuneration policy is available here: <https://www.fidelityinternational.com/remuneration-policy/>

Our sustainable investment related policies and reports are available on our website via the following link: <https://www.fidelityinstitutional.com/en-gb/sustainable-investing/sustainable-investing>

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?**

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="checkbox"/>	<input type="checkbox"/>

## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
- (B) Yes, including all strategy-related recommended disclosures
- (C) Yes, including all risk management-related recommended disclosures
- (D) Yes, including all applicable metrics and targets-related recommended disclosures
- (E) None of the above

Add link(s):

[https://professionals.fidelity.co.uk/static/master/media/pdf/esg/fidelity\\_tcfdf\\_report.pdf](https://professionals.fidelity.co.uk/static/master/media/pdf/esg/fidelity_tcfdf_report.pdf)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?**

**(A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)**

Link to example of public disclosures

<https://www.fidelity.lu/events/corporate-actions/2022-12-19-sustainable-finance-disclosure-regulation-1671435171440>

**(B) Disclosures against the European Union's Taxonomy**

Link to example of public disclosures

[https://eumultisiteprod-live-b03cec4375574452b61bdc4e94e331e7-16cd684.s3-eu-west-1.amazonaws.com/filer\\_public/37/ba/37baf02d-439a-4838-8858-67667d2a7d6d/sfdr-web-disclosures-ireland-inc-firef-may-2022.pdf](https://eumultisiteprod-live-b03cec4375574452b61bdc4e94e331e7-16cd684.s3-eu-west-1.amazonaws.com/filer_public/37/ba/37baf02d-439a-4838-8858-67667d2a7d6d/sfdr-web-disclosures-ireland-inc-firef-may-2022.pdf)

**(C) Disclosures against the CFA's ESG Disclosures Standard**

**(D) Disclosures against other international standards, frameworks or regulations**

Specify:

PAI Statement

Link to example of public disclosures

<https://www.fidelity.lu/static/master/media/pdf/esg/PAI-Statement.pdf>

**(E) Disclosures against other international standards, frameworks or regulations**

Specify:

European ESG Template

Link to example of public disclosures

<https://www.fidelity.lu/articles/pages/2022-06-20-new-esg-data-inception-european-esg-template-1655717417838>

**(F) Disclosures against other international standards, frameworks or regulations**

Specify:

Article 29

Link to example of public disclosures

[https://www.fidelity.fr/static/france/media/pdf/documents-legaux/article-29\\_FIL-Gestion.pdf](https://www.fidelity.fr/static/france/media/pdf/documents-legaux/article-29_FIL-Gestion.pdf)

**(G) Disclosures against other international standards, frameworks or regulations**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?**

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/sustainable-investing-principles.pdf>

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

## STRATEGY

### CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**Which elements do your organisation-level exclusions cover?**

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements

Specify:

When deciding on whether or not to exclude a company under our Firmwide Exclusion Framework we are guided by international treaties and conventions including the Convention on Cluster Munitions, the Biological Weapons Convention, the Chemical Weapons Convention, the International Convention on the Prohibition of the use of, stockpiling, production and transfer of Anti-Personnel Mines, the Treaty on the Non-Proliferation of Nuclear Weapons, guidance from the United Nations and other global authorities which uphold ESG principles.

- (F) Not applicable; our organisation does not have any organisation-level exclusions



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**How does your responsible investment approach influence your strategic asset allocation process?**

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

**STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?**

**(1) Listed equity****(2) Fixed income****(4) Real estate**

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?**

Engaging with issuers on financially material environmental, social and governance issues reflects our belief that active ownership can contribute to the long-term sustainability of an issuer and help generate positive investor returns. Engagements are undertaken for the following reasons: to gain a deeper understanding of an issuer's ESG practices to better inform our investment decisions; to identify, mitigate, or avoid PAIs of investee issuers; and to use our influence to improve the sustainability practices of the issuers we own or lend money to.

We maintain an ongoing dialogue with management of investee issuers. Formal meetings involving both portfolio managers and analysts are typically held with investee issuers at least twice a year. Aside from these regular issuer meetings, there are a variety of opportunities for dedicated ESG ad hoc engagements, detailed in our Sustainable Investing Principles (publicly available).

This Principles document also reflects the fact that ESG factors impact long-term value creation at the issuers we invest in or lend to. The beliefs inform what we aim to achieve, including the mitigation of system-level risks such as climate change and nature loss through active ownership and policy advocacy, alongside other approaches through which Fidelity can influence change. This reflects the evolution of our approach to sustainable investing, which includes identifying systemic themes where we see opportunities to contribute to the health and preservation of critical systems, namely by seeking to address climate change, nature loss and social disparities and to ensure strong and effective governance. Beginning in 2022 and developing over 2023, our stewardship priorities are increasingly at the intersection of the systemic themes.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Elaborate on your organisation’s default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.**

Fidelity maintains close relationships with a wide spectrum of stakeholders to help us guide our investee companies. Where legally permitted we are willing to consider collective engagement initiatives, often through collaborative bodies. Relevant factors in determining whether to participate in a collective engagement include the identity of the other leading investors, the relative size of their investment and whether a collective approach will help to achieve a satisfactory outcome. Topics that may be suited to a collective engagement include the need for management and/or board change, strategy, capital structure, M&A, shareholder rights, addressing climate risk, as well as social issues such as digital inclusion, diversity and modern slavery.

As one of the world’s largest investment managers, our team also works closely with policymakers, industry groups and non-governmental organisations to improve sustainable behaviours by businesses around the world. This may take the form of direct dialogue, responding to public consultation requests, or other consultation forums. Fidelity is a member or licensee of a wide range of associations and initiatives ), including:

- Corporate Governance - We hold positions in the Investment Association, the Panel on Takeovers and Mergers, the Confederation of British Industry and sit on the board of the International Corporate Governance Network (ICGN).
  - Modern Slavery - We sit on the Steering Committee and co-chair Workstream 2 (engagement) at Investors Against Slavery and Trafficking Asia Pacific (IAST APAC)
  - Climate Change - We are active lead investors on collaborative engagements under Climate Action 100+ and chair the Engagement and Policy working group for the Asia Investor Group on Climate Change (AIGCC).
  - Industry associations - We sit on the board of the Responsible Investment Association Australasia (RIAA) and co-chair the Asia Asset Management ESG Committee at Asia Securities Industry & Financial Markets Association's (ASIFMA).
- We are also a signatory to the United Nations-supported Principles for Responsible Investment (PRI), the UK Stewardship Code, the EFAMA Stewardship Code, the Japanese Stewardship Code, Taiwan's Stewardship Principles for Institutional Investors and the Hong Kong Principles of Responsible Ownership

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Rank the channels that are most important for your organisation in achieving its stewardship objectives.**

- (A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff

Select from the list:

- 1  
 5

- (B) External investment managers, third-party operators and/or external property managers, if applicable

- (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers

Select from the list:

- 3  
 5

- (D) Informal or unstructured collaborations with investors or other entities

Select from the list:

- 4  
 5

- (E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar

Select from the list:

- 2  
 5

- (F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How are your organisation’s stewardship activities linked to your investment decision making, and vice versa?**

The firm’s stewardship activities, which include proxy voting and engagement, are spearheaded by the Sustainable Investing (SI) team, which is comprised of sustainability and stewardship professionals covering various subject matter areas and competencies. The SI team is part of Fidelity’s Investment Management business and helps the firm’s global team of investment analysts and portfolio managers monitor, analyse and engage with investee companies.

Fidelity’s investment analysts are responsible for developing the company’s house view on investee companies from a financial and sustainability perspective. The analysts will generally lead company meetings that are conducted principally for information-gathering purposes and research, with SI team members supporting as subject matter experts where appropriate. Conversely, the SI team tends to lead on thematic environmental, social and governance (ESG) or governance-focused (e.g. voting) engagements, with investment analysts supporting where appropriate. Fidelity portfolio managers often participate in and will sometimes lead key engagements (e.g. for specific investment strategies with a sustainability emphasis). There are also other investment team members that support specific stewardship activities. These include the Capital Markets team, which supports the investment team with IPOs and equity placements. The Senior Governance Advisor also supports the London investment team on strategic engagements with non-executive directors.

Our analysts, portfolio managers and sustainable investing specialists document all engagements with issuers in a centralised application platform that is available to the entire investment team. This transparency allows the team to enrich its knowledge and learn about sectors, themes and asset classes. The portfolio managers and analysts are also consulted on shareholder voting resolutions as appropriate.

As an active investor, our portfolio managers generally have discretion to manage the investments for their funds within a set of predefined investment guidelines. Portfolio managers may consider research notes, proprietary sustainable ratings and third-party ESG ratings, macro research, learnings from stewardship activities, and other inputs when making investment decisions.

As in past years, our corporate monitoring activity, including routine information-gathering engagements, was conducted to track theses and test conviction in the companies we hold. Our portfolio managers were often involved in these meetings. Insights from our corporate engagements were disseminated to the entire investment team via our internal research platform and ESG application. This monitoring activity regularly helps portfolio managers make decisions on fund investments, including at the pre-investment phase, and continued to do so in 2022. During the year, we made further progress on our suite of thematic engagements targeting areas of key risk to our investment portfolios. Additionally, on some occasions we found it necessary to escalate our engagements, with examples of both included in our UK Stewardship Code submission. Information gathered during these activities supported investment decision making by providing evidence or refuting our portfolio managers’ conviction in the sustainability characteristics of the affected companies.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**If relevant, provide any further details on your organisation's overall stewardship strategy.**

Our approach to stewardship is grounded in the fact that as a large and diversified investment manager across multiple geographies, sectors, and asset classes, we are exposed to systemic environmental and social issues. Effective and outcomes-focused stewardship combines bottom-up corporate engagement, top-down thematic engagement, and system-wide stewardship.

Blending a global mindset and local understanding helps us to deliver insightful research and positive stewardship outcomes. Stewardship and integration of sustainability issues must take into account local context to be effective, and respect differences in geographic, economic, social and cultural factors. As a global firm with a local presence in many markets, we are well positioned to navigate these challenges and generate differentiated insight and outcomes.

At Fidelity, we recognise that maintaining our privileged position as one of the largest asset managers in the world is contingent on our ability to continue meeting and exceeding investors' growing expectations for sustainable investing. To this end, our size and scale provide us with a deep level of corporate access, and we see it as our fiduciary duty to use this to influence corporate behaviours for better long-term investment outcomes. In line with our Sustainable Investment beliefs referred, we believe more sustainable corporate behaviour drives better financial outcomes in the long term, and we have developed a set of guiding principles and best practices that we expect issuers to adopt. These embed the principles of double materiality; businesses must understand and manage their exposures, as well as their impacts. Our approach and expectations of corporates on broad topics are detailed below:

Engagement: Engaging with issuers on financially material environmental, social and governance issues reflects our belief that active ownership can contribute to the long-term sustainability of an issuer and help generate positive investor returns. Engagements are undertaken for the following reasons: to gain a deeper understanding of an issuer's ESG practices to better inform our investment decisions; to identify, mitigate, or avoid PAIs of investee issuers ; and to use our influence to improve the sustainability practices of the issuers we own or lend money to. For our Multi Asset funds, engagement takes place at strategy level through the Manager Research team and the portfolio managers. They look for evidence of proactive engagement across ESG matters with measurable outcomes.

We maintain an ongoing dialogue with management of investee issuers. Formal meetings involving both portfolio managers and analysts are typically held with investee issuers at least twice a year. Aside from these regular issuer meetings, there are a variety of opportunities for dedicated ESG ad hoc engagements, including; our Sustainable Investing team conducts thematic engagements on particular sustainable investing issues. We choose the topics primarily based on the urgency of the issues concerned, alignment with our sustainable investing strategy, and input from clients and the investment team; Responding to a controversy or adverse event, or a concern flagged by our investment analysts or portfolio managers (e.g., of a strategic or governance nature).

Fidelity maintains close relationships with a wide spectrum of stakeholders to help us guide our investee companies. Where legally permitted we are willing to consider collective engagement initiatives, often through collaborative bodies. Relevant factors in determining whether to participate in a collective engagement include the identity of the other leading investors, the relative size of their investment and whether a collective approach will help to achieve a satisfactory outcome. Topics that may be suited to a collective engagement include the need for management and/or board change, strategy, capital structure, M&A, shareholder rights, addressing climate risk, as well as social issues such as digital inclusion, diversity and modern slavery. As one of the world's largest investment managers, our team also works closely with policymakers, industry groups and non-governmental organisations to improve sustainable behaviours by businesses around the world. This may take the form of direct dialogue, responding to public consultation requests, or other consultation forums. Fidelity is a member or licensee of a wide range of associations and initiatives.

For more details, refer to our publicly disclosed Sustainable Investing Principles here - <https://s3-eu-west-1.amazonaws.com/euissmultisiteprod-live-8dd1b69cadf7409099ee6471b87c49a-7653963/international/PDF/download-material/sustainable-investing-principles.pdf>

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?**

- (A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes**
  - Select from the below list:
    - (1) in all cases**
    - (2) in a majority of cases
    - (3) in a minority of cases
- (B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear**
  - Select from the below list:
    - (1) in all cases**
    - (2) in a majority of cases
    - (3) in a minority of cases
- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How is voting addressed in your securities lending programme?**

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting

Provide details on these criteria:

Fidelity operates a limited stock lending programme through a third-party provider. While we will not generally recall stock for routine votes, we will recall stock when it is in clients' interests to do so. This may include votes of significant economic or strategic importance, votes which are anticipated to be close or controversial, votes where we disagree with management or votes where we do not have sufficient forward visibility to make a timely and informed judgement. We do not borrow stock for the purpose of gaining additional votes

- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?**

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?**

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?**

- (A) Yes, for all (proxy) votes

Add link(s):

<https://www.fidelity.co.uk/voting-record/>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?**

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?**

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(1) for all votes	(1) for all votes
(B) Yes, we privately communicated the rationale to the company	(2) for a majority of votes	(2) for a majority of votes
(C) We did not publicly or privately communicate the rationale, or we did not track this information	○	○
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	○	○

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

<https://www.fidelity.co.uk/voting-record/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?**

Proxy voting is an important component of our stewardship activities and consequently, we have devoted substantial resource to ensuring it is conducted soundly. Fidelity has a dedicated internal support team responsible for voting execution and operations which is part of Investment Management Operations. The team's remit includes performing checks and audits on vote instructions, monitoring internal communications on voting decisions to ensure vote instructions are aligned, and performing checks and reviews on Fidelity's public voting disclosures. The Sustainable Investing Team monitors voting on a day-to-day basis, and a Voting Advisory Oversight Group comprised of technical experts and representatives from the broader investment team was formed in early 2023 to oversee firmwide voting activities

**STEWARDSHIP: ESCALATION**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

**(1) Listed equity**

(A) Joining or broadening an existing collaborative engagement or creating a new one	<input checked="" type="checkbox"/>
(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal	<input checked="" type="checkbox"/>
(C) Publicly engaging the entity, e.g. signing an open letter	<input checked="" type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>
(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director	<input checked="" type="checkbox"/>
(F) Divesting	<input checked="" type="checkbox"/>

(G) Litigation	<input checked="" type="checkbox"/>
(H) Other	<input type="checkbox"/>
(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) Not investing
- (D) Reducing exposure to the investee entity
- (E) Divesting
- (F) Litigation
- (G) Other
- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups

Describe:

Our Engagement with regulator or policy maker can be direct or indirectly via industry association or initiative, designed to influence specific policy outcomes eg. to communicate policy asks for the firm or investee sectors or in response to regulation/policy proposal. Interactions can be meetings (virtual or in person), direct letters or providing input into industry association/initiative letters.

- (D) We engaged policy makers on our own initiative
- (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- (A) We publicly disclosed all our policy positions
- (B) We publicly disclosed details of our engagements with policy makers

Add link(s):

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/Fidelity-SI-report.pdf>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

Fostering better emissions disclosure in the cement industry

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Cement is among the most pollutive sectors globally, and China pours more concrete each year than the rest of the world combined. Cutting emissions in the cement industry is crucial to China's national drive towards net zero by 2060. In line with these priorities, Fidelity International has been engaging Anhui Conch Cement, the country's second-largest producer by output, advising it on how to improve across ESG factors. Fidelity's equity research and sustainable investing teams started speaking to Conch's management about emissions targets in late 2020.

Even before our engagement started, Conch's management had shown a strong desire to improve the company's ESG practices, and progress has become even more tangible over the last two years. Reflecting some of the improvements the company made in response to advice from Fidelity, an external third-party ratings provider raised Conch's sustainability score in 2021 and recently upgraded it again in 2022, demonstrating a continuous improvement. As Fidelity's analysts drilled into the details, they realised that Conch was selling its efforts short. based on how it was disclosing and benchmarking its emissions data, and that some global sustainability rating agencies had been judging the company based on emissions per million dollars of revenue. This ignores one of the basic dynamics of the global cement industry: prices, production and consumption are highly localised because of the high costs of shipping. The result is that cement is in China typically 40 to 50 per cent cheaper than in the West. We realised that applying revenue-based emissions metrics would by nature severely disadvantage the Chinese company when compared with its global peers, and volume-based metrics that reflect emissions per unit of actual cement production would provide more accurate cross-border comparisons and a better picture of the company's efforts to reduce its carbon footprint. We suggested to Conch that it communicate this clearly to external sustainability ratings agencies, so that they might re-evaluate the company's efforts, and Conch's ESG ratings were subsequently upgraded.

While Fidelity has provided advice and encouragement, Conch has also been proactive in limiting the use of coal and electricity per tonne of cement, as well as boosting its overall operating efficiency. Following our suggestion to establish mid-term carbon reduction goals, the company set a more stringent target aiming to achieve 6 per cent total reduction in emission density by 2025 (domestically, Conch has already achieved the lowest emission density among large cement producers when measured by unit of output). Moreover, the company has taken it upon itself to find new ways to reduce its emissions of carbon and other harmful greenhouse gases. For example, it has developed an efficient system to curb nitrogen oxide emissions, which in many cases could cause more global warming than carbon emissions. There are signs that other large cement makers in China are starting to follow Conch's lead in ESG commitments, as the government pushes ahead with nationwide decarbonisation targets. We believe the drive toward net zero, combined with serious engagement by investors, will help eventually firm up a greener path for China's cement industry

(B) Example 2:  
Title of stewardship activity:

Strength in numbers when engaging China's power sector

- (1) Led by
  - (1) Internally led
  - (2) External service provider led
  - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
  - (1) Environmental factors
  - (2) Social factors
  - (3) Governance factors
- (3) Asset class(es)
  - (1) Listed equity
  - (2) Fixed income
  - (3) Private equity
  - (4) Real estate
  - (5) Infrastructure
  - (6) Hedge funds
  - (7) Forestry
  - (8) Farmland
  - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

In recent years, collaborative engagement has emerged as a powerful form of stewardship, especially for dealing with investees that happen to be influential corporate giants. In a typical collaborative effort, Fidelity teams up with other asset managers, policymakers, or industry bodies to drive corporate change on critical sustainability issues. By working together instead of acting separately, we can amplify our collective impact on the way industries are regulated and companies operate.

In 2022, Fidelity kicked off one such collaborative engagement with a leading independent power producer. Fidelity is the lead investor among five asset managers in this effort, which is being carried out as part of the Asian Utilities Engagement Program under the Asia Investor Group on Climate Change, whose members own or manage assets of over \$36 trillion.



Our collaborative dialogue with the company has revolved around cutting carbon emissions, strengthening disclosures, boosting corporate governance, and controlling climate-related risks. In our multiple conversations, the company has shown a strong willingness to pursue sustainable growth, and shared details about its decarbonisation progress. The company has also actively sought advice from the investor group on how to advance its ESG disclosure, as the company prepared for its new sustainable development report. It has set a target of peaking carbon emissions by 2025, while planning to phase out all but one of its coal mines. The company already devoted 70-80 per cent of its total capital expenditure to renewable energy and plans to increase this further. Meanwhile, it's working towards a goal of adding 40 gigawatts of renewable capacity by 2025. The company has acted responsibly in winding down coal mines, working towards a just transition: it has been reallocating human resources to renewable power units rather than laying off workers from stranded plants. We were also delighted to see that the company started linking the remuneration of its executives to ESG metrics, including renewable energy capacity, coal consumption, carbon emissions, and work safety.

The collaborative engagement is already showing signs of paying off. In a recent dedicated engagement call on disclosure, we recommended the company consolidates all ESG information into a single report, and officially adopts the recommendations of the Task Force on Climate-related Financial Disclosures in its future reporting. The company responded favourably and improved its disclosures accordingly in this year's new report. Through these engagements, Fidelity and the other asset managers have reached agreement with the company to continue to hold regular dialogues going forward, as well as for the company to provide updates on its decarbonisation progress.

(C) Example 3:

Title of stewardship activity:

Collaborative Engagement, IAST APAC Investor Group

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Over the last year, we have met with Domino's Pizza Enterprises Ltd's (DMP) management team to better understand the risk of modern slavery across their operations as well as their supply chains.

Recently we met with them as part of our collaborative engagement with IAST APAC Investor Group. Following the review of DMP's 2022 Modern Slavery Statement ahead of the meeting the group was underwhelmed with the progress reported in the statement particularly in terms of supply chain mapping, risk assessment and due diligence. However, on connecting with the company, since the reporting period of the statement they shared that they have made considerable progress across several initiatives.

Based on the information DMP shared in the meeting, we understand DMP's supply chain mapping will not be undertaken until 2024 which is quite a delay. There has been limited progress outside of ANZ supply chain mapping which had been undertaken last year. Our concern is that DMP remains behind the curve and their roadmap timeframes are not as ambitious as the IAST APAC group would like in this regard.

On the topic of due diligence, DMP has made considerable progress across several aspects. The company has implemented a Business Partner Code of Conduct, a comprehensive due diligence mechanism for their Australian and New Zealand supply chains, and also implemented a selection of a new risk management platforms to replace EthixBase (Impact Buying). The company has also developed detailed 2030 roadmaps to drive organisational focus on modern slavery management. We highlighted we would like to see more disclosure on the outputs on these initiatives to assess the level of risk, as well as on their auditing process for high-risk suppliers and what mechanisms they are using.

While DMP now provides employee compliant level data through their whistle-blowing platform across the Australian and New Zealand business, in the future we expect more detail on the types of complaints received and how they are managed. In addition, many of DMP's other jurisdictions have no complaints systems in place. We will continue to engage on this issue to encourage greater action on complaints management.

(D) Example 4:

Title of stewardship activity:

Improve Board diversity and independence with a Consumer Discretionary company in Australia

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

During our pre-AGM meeting with the company in 2022, we highlighted our Board Diversity and Independence Policies outlining our minimum requirements for female representation on the board as well as a minimum level of independence. The Board at the time had two out of five independent directors, though our analyst questioned one of the candidate's independence given their previous role as Audit Director. In terms of diversity, the Board had only one female director. With a large founding shareholder, the company appeared reluctant to consider the appointment of additional independent directors and implement diversity targets. As a result of this engagement, we voted against the re-election of the chair at their 2022 AGM citing low independence and lack of board diversity.

Since this engagement we have seen material progress from the company across both areas. In January 2023, the company appointed a female director as a non-executive director to the Board. With this appointment there are now two female directors on a board of six, and three independent directors. At this point we don't anticipate further engagement on this topic.

(E) Example 5:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

**Has your organisation identified climate-related risks and opportunities affecting your investments?**

(A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

We have identified the elements of climate-related risks and opportunities associated with climate-related issues for short, medium, and long-term time horizons. These elements include physical, transition, and legal risks.

Physical risks may arise directly from changing climate conditions and can be acute, episodic risks such as tornadoes, typhoons, and wildfires, or chronic risks such as rising sea levels, freshwater scarcity, and supply-chain disruption.

Transition risks may result from upcoming regulatory or policy actions, technological developments, reputational impacts, and stranded or depleted assets. Legal risks exist from current regulatory legislation, exposure to climate change and environmental litigation, particularly due to climate-related damage, the pace of change, and inadequate or misleading disclosure.

Our approach to climate-related risks and opportunities is grounded in the belief that they may be financially material and, as a result, relevant to our corporate, operational, and investment activities. We believe that the climate-related risks and opportunities may have a significant and growing impact on the value of our portfolios over time

- (B) Yes, beyond our standard planning horizon
- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

- (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

To deliver on our net-zero targets we employ a number of methodologies to achieve our strategies, among which are the following: Sustainability Research and ESG ratings. We take a comprehensive approach to evaluating issuers' management of their material environmental and social impacts through our sustainability research and ratings. Our approach incorporates the principles of 'double materiality,' which involves integrating non-financial sustainability considerations alongside traditional financial risk and return goals. We also consider the sustainability impact of the investments made, with an extended time horizon of 10 years to cover all likely external material impacts.

To identify material topics for each issuer, we use customised materiality maps for 127 individual subsectors. These maps are formed from a unique selection and weighting of up to 40 individual E, S, and G indicators, as well as additional custom indicators for certain industries. Climate change and its impact on companies are considered under the environment pillar, where indicators such as energy consumption, water usage, GHG emissions, and deforestation are considered when deemed to be material.

Climate Voting Policy - As a means of exerting our influence as active investors, the Group has introduced specific minimum expectations for our investee companies regarding climate-change governance, oversight, practice, and action. These can be found in our voting principles and guidelines, which were implemented in July 2021, and have identified three minimum standards for all companies to provide: a stated policy on climate change, disclosure of emission data and confirmation of discussion and oversight of climate change at board level. In addition, for companies considered to have a higher climate impact, we also encourage four further standards: emission reduction targets, description of impact of climate-related risks and opportunities on strategy, scenario planning, impact scenario assessment referencing 1.5°C. We will consider voting against directors at companies that do not meet our minimum expectations regarding their management and oversight of climate change-related risks, their transparency on climate change-related risks and opportunities, and their strategy to reduce their climate impact. When applying this guideline, we will prioritise companies for which climate change impact is most material.

Through the combination of engagement and voting, we aim to drive decarbonisation efforts and push for positive change in the companies we invest in. We view voting as a critical tool for signalling our expectations and encouraging better corporate behaviour, which in turn can lead to improved risk management and the ability to leverage new opportunities. We are applying a phased approach and will initially focus on high impact and Climate Action 100+ companies.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

### Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

(A) Coal

Describe your strategy:

We have carefully considered the different ways in which managing climate risks and accelerating the low-carbon transition could be made integral to our investment and stewardship processes. Our Climate Investing policy sets out the approach we have chosen. We believe it will be effective in mitigating climate-related risks and reducing real world emissions, working alongside the clients who entrust us with their capital and the companies in which we invest.

Fidelity will seek to meet its emissions reduction targets by doing the following:

1. Integrating climate factors and investing in net zero issuers

We will integrate climate factors into portfolio analysis and construction, both top down and bottom up. We will increase investment in net zero-aligned issuers over time, focusing investment resources on companies which are assessed positively using the Fidelity Climate Rating. We will further develop our sustainable fund range to give our clients more opportunities to drive the climate transition through their investments.

2. Climate stewardship and transition engagement

Fidelity's Sustainable Investing team leads an intensive climate engagement programme with our investees, systematically targeting the highest contributors to emissions across our investment portfolios through 3 steps i. Identifying targets that are not aligned to net zero in high impact sectors, using the Climate Rating. ii. Conducting time-bound engagement to achieve transition milestones under the Climate Rating framework, including minimum climate requirements and credible transition plans iii. If companies show no progress after an engagement period not exceeding three years and we see no prospect of increasing their transition potential, we will look to divest. Once our transition engagement programme ramps, our aim is to sustain engagement with the top 70% of contributors to our emissions from material sectors.

### 3. Phasing out exposure to the highest emitters

While Fidelity aims to achieve as much of its emissions reduction as possible via investment and engagement, to reach net zero by 2050 across all of our portfolios, we will also proactively phase out exposure to thermal coal by 2030 in OECD markets and 2040 globally. The phase-out will occur over a period of time, giving companies the opportunity to decarbonise and demonstrate net zero ambitions. Additional exclusions apply for our sustainable range of funds.

Target companies in high impact sectors for intensive engagement to accelerate their transition pathways where achievable. Where companies show no progress towards (and no potential for) transition after an engagement period not exceeding three years, we will look to divest.

Sectors are categorised as "high impact" or "low impact" in line with TCFD and IIGCC categories (high impact sectors include energy, transportation, materials and buildings, agriculture, food and forest products, and financials).

**(B) Gas**

Describe your strategy:

Please refer to our strategy above, and our climate investing policy (attached) for further information

**(C) Oil**

Describe your strategy:

Please refer to our strategy above, and our climate investing policy (attached) for further information

**(D) Utilities**

Describe your strategy:

Please refer to our strategy above, and our climate investing policy (attached) for further information

**(E) Cement**

Describe your strategy:

Please refer to our strategy above, and our climate investing policy (attached) for further information

**(F) Steel**

Describe your strategy:

Please refer to our strategy above, and our climate investing policy (attached) for further information

(G) Aviation

(H) Heavy duty road

(I) Light duty road

(J) Shipping

(K) Aluminium

**(L) Agriculture, forestry, fishery**

Describe your strategy:

Please refer to our strategy above, and our climate investing policy (attached) for further information

(M) Chemicals

**(N) Construction and buildings**

Describe your strategy:

Please refer to our strategy above, and our climate investing policy (attached) for further information

(O) Textile and leather

(P) Water

(Q) Other

(R) We do not have a strategy addressing high-emitting sectors

**Provide a link(s) to your strategy(ies), if available**

<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/sustainable-investing-principles.pdf>  
<https://professionals.fidelity.co.uk/static/master/media/pdf/esg/Fidelity-Voting-Principles-Guidelines.pdf>  
[https://professionals.fidelity.co.uk/static/master/media/pdf/esg/fidelity\\_tcf\\_report.pdf](https://professionals.fidelity.co.uk/static/master/media/pdf/esg/fidelity_tcf_report.pdf)  
[https://www.fidelityinstitutional.com/static/master/media/pdf/esg/fidelity\\_climate\\_change\\_policy.pdf](https://www.fidelityinstitutional.com/static/master/media/pdf/esg/fidelity_climate_change_policy.pdf)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios**

Specify:

In 2022, we updated our capital markets model and strategic asset allocation to reflect and consider our research on climate scenarios. This utilised both qualitative and quantitative scenario analysis, making use of the Network for Greening the Financial System (NGFS) scenarios throughout. The research reflects on how the NGFS's latest iteration, published in September 2022, affects our capital market assumptions, the cascading effects on various asset classes against our climate-agnostic baseline scenario, and how investors can apply the results to asset allocation decisions using a framework-driven approach.

Through our external data provider, we have the tools at hand to conduct scenario analysis for all investment portfolios and do so at the discretion of portfolio managers or request of clients. This allows a greater understanding of, and potential to influence, investment decision-making. Looking forward, we are further enhancing our tool set to analyse climate scenarios across issuers and portfolios. With these developments, we believe that the debate on climate impact will continue to grow through data-driven understanding and transparency. This in turn will allow our portfolio managers and analysts to embed more climate-change information in their analysis and investment decisions.

Refer to our TCFD report for details

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

**(A) Yes, we have a process to identify and assess climate-related risks**

(1) Describe your process

Risk management is defined across the Group by the Enterprise Risk Management (ERM) Framework. The framework supports the effective identification of risks, potential events and trends which may significantly affect the Group's ability to achieve its strategic goals or maintain its operations. Climate risk is integrated within the ERM framework and risk management processes.

The Group has identified and incorporated Environmental and Climate risks, Social risks and Governance risks within the enterprise risk taxonomy. The enterprise risk taxonomy provides a consistent approach for the classification, identification, and definition of risk and covers all relevant risks across the Group and including Operational, Strategic, Investment, Financial and Environmental, Social and Governance ("ESG") risk-types. The identification and assessment of ESG risks including climate risks as these pertain to funds are part of the Investment Risk framework.

In 2022, an initial ESG-specific scenario-based assessment was performed at the enterprise level to better understand how adverse events related to ESG risks, including climate risks, could affect the organisation, along with potential impacts and any actions warranted to further mitigate risks.

Our active approach to investment is underpinned by the fundamental research of our global team of investment professionals, who typically conduct around 19,000 company meetings per year, of which a portion may include discussions on climate change.

Engagements are conducted for two primary reasons:

- To gain a deeper understanding of a company's ESG practices (including climate) which better informs our investment and voting decisions
- To use our influence to improve the sustainability practices of the companies in which we have invested.

Climate risks and opportunities are identified as part of our investment management process, starting with the research process. Investment management activity at a portfolio level is embedded within existing Investment Risk & Compliance oversight processes and is also reviewed as part of SIOC related to changes.

Product development opportunities go through governance oversight as part of existing forums, as well as change management, where risks are identified and overseen together with independent risk and compliance functions. This strengthened governance aims to respond to demands from our clients for new products, additional climate-related disclosures, and reporting requirements that facilitate informed investment decisions.

We are in the process of developing our approach to identifying and assessing climate-related risk for each product and strategy. While our approach is being developed, we have engaged a number of tools and processes including, but not limited to ESG ratings, Climate rating, climate engine, Principle Adverse Impacts (PAI), Quarterly Sustainability Reviews (QSRs) and exclusion policy.

(2) Describe how this process is integrated into your overall risk management



The Group has integrated sustainability and wider ESG matters including climate risks into its risk management processes. The Group's ERM framework supports the effective identification of risks, potential events and trends that may significantly affect the Group's ability to achieve its strategic goals or maintain its operations.

The Group has established two executive-level committees to oversee ESG risks, which includes climate-related risk: the Corporate Sustainability Committee (CSC) and the Sustainable Investing Operating Committee (SIOC). The CSC and the SIOC report directly to the Global Operating Committee (GOC). With functional oversight for the CSC with the Group General Counsel and for the SIOC with the Group Chief Investment Officer. The GOC is the most senior management committee responsible for implementing and executing the Group business strategy, including climate and wider sustainability as a central consideration. The dedicated management committees, CSC and SIOC, ensure the management of climate-related risks and opportunities are identified and assessed as part of daily business processes and change management. Independent oversight functions, such as Risk & Compliance, monitor the effectiveness of controls and tools used by the business and provide advice for changes made during the transition.

The Group's risk management structure is based on the 'Three Lines of Defence' model to ensure clear responsibilities for all risk management activities within the organisation.

1. The 1st Line of Defence are the Risk Owners, owning all risks emerging from their respective business and/or processes and accountable for managing, monitoring, and mitigating these risks on an ongoing basis in line with established policies, tools, and procedures.
2. The 2nd Line of Defence, which includes the Global Risk team and the Policy owners, comprises an independent risk and control layer responsible for the design of core enterprise and specific risk-type frameworks, methodologies and tools, and provides risk oversight.
3. The 3rd Line of Defence provides independent assurance on the adequacy of the design and effectiveness of the 1st and 2nd Lines of Defence.

Within Investment management, Investment Risk Committees (IRCs) are responsible for management oversight of investment risks, including ESG-related risks and climate risks. The primary objective is to ensure that portfolios are being run appropriately and in line with their stated objectives. The 2nd Line of Defence oversight of ESG risks within funds, including climate risks is performed by Investment Risk. The oversight activities are supported by dedicated reports and dashboards containing selected metrics for individual constituent components for environment, social, and governance factors. Each metric is assessed against set thresholds which differ depending on the type of funds in scope. Results and exceptions are shared with members of senior management and further escalations are performed as part of IRCs where necessary.

The Board is responsible for setting the Risk Strategy and maintains accountability for oversight of the Group, including but not limited to oversight and monitoring of the Group's overall risk profile and risk framework. The Board is accountable for ensuring that appropriate governance, structures and internal controls are implemented to ensure compliance with rules, laws and regulations and the Group's policies; and that these are consistent with protecting clients and customers and in the long term interests of the Group's shareholders. The Board is responsible for the supervision, leading and controlling of its subsidiaries. It is responsible for implementation of the ERM framework and has created a governance structure to provide oversight and direction to the business through delegated authorities to designated committees and forums including the Audit and Risk Committee. Global internal risk management resources and committees provide specialist expertise and services. These include key control functions such as Risk, Internal Audit, Legal and Compliance. Central functions such as Finance, Technology and Human Resources have vital roles to play in the sound and prudent management of the business. Full escalation routes have been established between committees and the Group Board. FIL aims to align its processes and approach with evolving regulatory guidance and industry best practice. We acknowledge this is an evolving area and are committed to continually enhancing our frameworks and risk management processes as and when required.

(B) Yes, we have a process to manage climate-related risks

## (1) Describe your process

In our view, climate action is something that goes beyond any individual company or investor. We believe we must work in concert with our investee companies and the wider investment industry to achieve our short, medium, and long term targets.

To explicitly identify and incorporate climate-related risks, we have developed a climate investing policy that outlines our approach towards achieving net zero through investment and stewardship. This policy emphasises our commitment to responsible investing practices, which includes integrating climate-related risks and opportunities into our investment decisions, engaging with companies to improve their environmental performance, and setting targets for reducing our own carbon footprint.

Overall, our approach to sustainability assessments and our climate investing policy demonstrates our commitment to sustainability and responsible investing practices. We are dedicated to creating long term value for all our stakeholders while promoting positive environmental and social outcomes. While our approach is being developed, we have engaged a number of tools and processes including, but not limited to, the following:

- ESG ratings – Proprietary ratings aim to provide a forward-looking assessment of the extent to which an issuer's performance on material sustainability issues either supports, or is likely to impair, long term value creation for shareholders. The ratings are differentiated in their forward-looking emphasis and their use of company interaction and due diligence by Fidelity's analysts as the main input to identify and assess the material ESG risks impacting an issuer.

- Climate rating – Proprietary climate rating seeks to identify the likelihood of companies achieving net zero based on their current climate approach, strategy, performance, and targets.

- Climate engine – An analytics tool to support climate performance and identification of climate risks and opportunities within portfolios. This tool aims to enable various users to have a simple, reliable, and aligned source of data. In the tool, currently in development, we have covered various climate-related aspects, starting from carbon footprint and temperature analysis, to physical risks and green revenues.

- Principle Adverse Impacts (PAI) – One means of assessing an issuer/holding's ESG characteristics. Impacts such as GHG emissions (Scopes 1-3) are akin to the Carbon Metrics for TCFD disclosures.

- Quarterly Sustainability Reviews (QSRs) for a subset of funds. In 2022, we introduced, and continue to develop, a Quarterly Sustainability Review (QSR) process, run by senior management/CIOs together with the Sustainable Investing team, to ensure portfolio managers are held accountable by their CIO as to how sustainable investing and climate risk forms part of their investment decision-making and risk management processes. The QSR is a quantitative and qualitative review of a fund's sustainability and climate achievements (past) and aspirations (looking forward), intended to measure and monitor progress of the fund and managers on the integration of sustainability factors and consideration of climate risk. The targeted scope of the QSR process currently includes all sustainable funds, all funds disclosing under SFDR Article 8 and Article 9, and may be extended to cover additional portfolios. Within this framework, climate risk is assessed in two key areas:

1. Climate metrics – key data points such as carbon footprint, carbon intensity, and implied temperature score are reviewed and challenged by the Sustainable Investing team representative.

2. Climate rating – this assessment tool provides portfolio managers with a view as to their holdings likely pathways towards net zero by 2050. It can be used to identify companies more or less, aligned to this objective and better understand the associated climate risks. The objective of the QSR process is to demonstrate how sustainability is incorporated into fund portfolio construction and how it influences investment decisions. Each portfolio manager is asked to provide reasons if their fund is not meeting sustainability objectives or integrating climate risk, and outcomes of the QSR process will help facilitate client reporting and disclosure.

- Exclusion Policy – Proprietary, principles-based assessment on climate matters with those companies which we regard as unsuitable investments placed on an Exclusion List. The Exclusion Policy helps to reduce the potential for PAIs by excluding business activities or issuers with a track record of behaviour that has material negative effects on sustainability factors, including climate. Select products have sector exclusions that help minimise potential exposure to industries with material PAIs, including thermal coal.

## (2) Describe how this process is integrated into your overall risk management

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- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?**

- (A) Exposure to physical risk
- (B) Exposure to transition risk
- (C) Internal carbon price
- (D) Total carbon emissions**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed
    - **(3) Metric or variable used and disclosed, including methodology**
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
    - <https://www.fidelity.co.uk/tcfd-product-reports/>
- (E) Weighted average carbon intensity**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed
    - **(3) Metric or variable used and disclosed, including methodology**
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
    - [https://www.fidelityinstitutional.com/static/master/media/pdf/esg/fidelity\\_tcfd\\_report.pdf](https://www.fidelityinstitutional.com/static/master/media/pdf/esg/fidelity_tcfd_report.pdf)
- (F) Avoided emissions
- (G) Implied Temperature Rise (ITR)**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.fidelity.co.uk/tcfd-product-reports/>

- (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- (I) Proportion of assets or other business activities aligned with climate-related opportunities**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.fidelity.lu/articles/pages/2022-06-20-new-esg-data-inception-european-esg-template-1655717417838>

- (J) Other metrics or variables
- (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

- (A) Scope 1 emissions**
  - (1) Indicate whether this metric was disclosed, including the methodology
    - (1) Metric disclosed
    - **(2) Metric and methodology disclosed**
  - (2) Provide links to the disclosed metric and methodology, as applicable

[https://professionals.fidelity.co.uk/static/master/media/pdf/esg/fidelity\\_tcfid\\_report.pdf](https://professionals.fidelity.co.uk/static/master/media/pdf/esg/fidelity_tcfid_report.pdf)

- (B) Scope 2 emissions**
  - (1) Indicate whether this metric was disclosed, including the methodology
    - (1) Metric disclosed
    - **(2) Metric and methodology disclosed**
  - (2) Provide links to the disclosed metric and methodology, as applicable

[https://professionals.fidelity.co.uk/static/master/media/pdf/esg/fidelity\\_tcfid\\_report.pdf](https://professionals.fidelity.co.uk/static/master/media/pdf/esg/fidelity_tcfid_report.pdf)

- (C) Scope 3 emissions (including financed emissions)**
  - (1) Indicate whether this metric was disclosed, including the methodology
    - (1) Metric disclosed
    - **(2) Metric and methodology disclosed**
  - (2) Provide links to the disclosed metric and methodology, as applicable

[https://professionals.fidelity.co.uk/static/master/media/pdf/esg/fidelity\\_tcfid\\_report.pdf](https://professionals.fidelity.co.uk/static/master/media/pdf/esg/fidelity_tcfid_report.pdf)

- (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The UNFCCC Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)  
Specify:  
EU Sustainable Finance Disclosure Regulations (SFDR)
- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)
- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries

(D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes

- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

**During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?**

(A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes

Explain how these activities were conducted:

We engaged a specialist Human Rights consultant (Point Advisory) to make a risk based assessment of a portion of our investment products, with a focus on modern slavery risk. The approach to the assessment included a 'risk to people' lens. An additional outcome from this assessment was the strengthening of the human rights due diligence in our proprietary sustainability ratings, through the incorporation of separate metrics to capture modern slavery/forced labour risks in investee companies for most exposed sectors

- (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts

(D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities

Specify:

Explain how these activities were conducted:

We have a Forced Labour/Modern Slavery engagement program which seeks to not only understand and assess risks, but also encourage companies to put in place appropriate grievance and remediation practices, to avoid/limit negative impact to people

- (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2



**During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?**

- (A) Workers**  
Sector(s) for which each stakeholder group was included
  - (1) Energy
  - (2) Materials
  - (3) Industrials
  - (4) Consumer discretionary**
  - (5) Consumer staples**
  - (6) Healthcare**
  - (7) Finance
  - (8) Information technology**
  - (9) Communication services
  - (10) Utilities
  - (11) Real estate
- (B) Communities
- (C) Customers and end-users
- (D) Other stakeholder groups

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?**

- (A) Corporate disclosures**  
Provide further detail on how your organisation used these information sources:  
  
Corporate disclosures where available i.e. Australian mandatory Modern Slavery reporting for companies. We also have company meetings/engagements where we gather this information and capture in our internal systems
- (B) Media reports
- (C) Reports and other information from NGOs and human rights institutions**  
Provide further detail on how your organisation used these information sources:  
  
As members of IAST APAC we utilise a number of sources including relationship with NGOs such as Walk Free, to understand Modern Slavery risks
- (D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank**  
Provide further detail on how your organisation used these information sources:  
  
As members of IAST APAC we utilise a number of sources including country reports, to understand Modern Slavery risks
- (E) Data provider scores or benchmarks
- (F) Human rights violation alerts**  
Provide further detail on how your organisation used these information sources:  
  
We have access to controversy flagging as well as global compact flags from research providers
- (G) Sell-side research
- (H) Investor networks or other investors**

Provide further detail on how your organisation used these information sources:

We are a founding member of IAST APAC which is focused in creating awareness and reducing modern slavery across the APAC region

- (I) Information provided directly by affected stakeholders or their representatives
- (J) Social media analysis
- (K) Other

# MANAGER SELECTION, APPOINTMENT AND MONITORING (SAM)

## OVERALL APPROACH

### EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 1	CORE	OO 21	N/A	PUBLIC	External investment managers	4

For the majority of your externally managed AUM in each asset class, which responsible investment aspects does your organisation consider important in the assessment of external investment managers?

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)
<b>Organisation</b>			
(A) Commitment to and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Responsible investment policy(ies)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Governance structure and senior-level oversight and accountability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>People and Culture</b>			
(D) Adequate resourcing and incentives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) Staff competencies and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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**Investment Process**

(F) Incorporation of material ESG factors in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(G) Incorporation of risks connected to systematic sustainability issues in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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**Stewardship**

(I) Policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(J) Policy(ies) or guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(K) Use of stewardship tools and activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(L) Incorporation of risks connected to systematic sustainability issues in stewardship practices	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(M) Involvement in collaborative engagement and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(N) Engagement with policy makers and other non-investee stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(O) Results of stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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## Performance and Reporting

(P) ESG disclosure in regular client reporting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(Q) Inclusion of ESG factors in contractual agreements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(R) We do not consider any of the above responsible investment aspects important in the assessment of external investment managers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## SERVICE PROVIDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 2	CORE	OO 21	N/A	PUBLIC	Service providers	4

**Which responsible investment aspects does your organisation consider important when assessing all service providers that advise you in the selection, appointment and/or monitoring of external investment managers?**

- (A) Incorporation of their responsible investment policy into advisory services
- (B) Ability to accommodate our responsible investment policy
- (C) Level of staff's responsible investment expertise
- (D) Use of data and analytical tools to assess the external investment manager's responsible investment performance
- (E) Other
- (F) We do not consider any of the above responsible investment aspects important when assessing service providers that advise us in the selection, appointment and/or monitoring of external investment managers
- (G) **Not applicable; we do not engage service providers in the selection, appointment or monitoring of external investment managers**

## POOLED FUNDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 3	PLUS	OO 5.2, OO 21	N/A	PUBLIC	Pooled funds	4

**If you invest in pooled funds, describe how you incorporate responsible investment aspects into the selection, appointment and/or monitoring of external investment managers.**

**Provide example(s) below**

(A) Selection

We integrate ESG issues into our investment decision-making process when it has a material impact on the investment, or it has the potential to affect the long-term value of the investment. Our ESG integrated approach is relevant across all the asset classes, sectors and markets in which we invest. ESG integration is carried out at analyst level within our Solutions & Multi Asset strategies.

Our Portfolio Managers are also active in analysing the effects of these factors when making investment decisions. Integrating ESG factors into our investment analysis include the following activities: In-depth research; Company engagement; Active ownership; and Collaboration within the investment industry. Although our analysts have overall responsibility for analysing the environmental, social and governance performance of the companies in which we invest, we also have dedicated global sustainable investing specialists.

These individuals work closely with the business and investment management teams globally across all asset classes and coordinate ESG training for these teams (including analysts, portfolio managers, and investment directors, directors of research, the library team, as well as the institutional, sales and marketing teams). The cornerstone of our investment approach is bottom-up research. As well as studying financial results, our portfolio managers and analysts are dedicated to carrying out additional qualitative analysis of potential investments.

They visit companies in person, examining everything that could have an effect on business, from the shop floor to the boardroom. Customers and suppliers also come in for scrutiny. In this way, we can develop a 360-degree view of every company in which we invest and ESG factors are regularly considered in this research process.

All underlying managers included in Fidelity Solutions & Multi Asset strategies must be covered by the Manager Research Team, whose strategy selection relies on an in-depth rigorous and ongoing research process.

(B)  
Appointment

The team has a formal rating system, which must be satisfied by the analysts

- Funds for inclusion in a model portfolio requires formal communication of the analyst's conviction every three months.
- Funds for consideration as possible strategies to buy require formal communication every six months.
- Funds on which the analysts have a neutral view are not required to be monitored constantly, but an analyst can be asked to review one of these strategies for an opportunistic trade at the Portfolio Managers' discretion.

(C) Monitoring

Coverage is designed to be flexible, and each analyst will perform as much analysis and/or have as many meetings as necessary over the course of a year to satisfy their fund rating. Each analyst is responsible for the ongoing monitoring of the strategies they research. We conduct rigorous due diligence on each strategy, where analysts are supported by our dedicated Risk Management Team to maintain a thorough understanding of their exposure, process and performance over time. We review and monitor underlying managers on a continuous basis. Examples of the ways we monitor strategies include:

- Frequent meetings with active managers and passive providers.
- Bi-weekly strategy research meetings between analysts and portfolio managers, talking through each strategy and evaluating the assessment.
- Weekly Manager Research Team meetings, led by the Director of Research, providing a forum for peer-review and challenging conviction.
- Regular written research reports documenting ongoing research and highlighting any changes in strategies. Analysts will review each strategy formally around once per quarter, or as necessary between regular cycles.
- Working closely with Fidelity Solutions & Multi Asset's Head of Portfolio Construction and Risk, providing ongoing oversight of each strategy.
- Annual analyst survey conducted by the Portfolio Managers to assess the standard of each analyst's research on the strategies.

# SELECTION

## RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 4	CORE	OO 12, OO 21	SAM 5, SAM 6, SAM 7	PUBLIC	Responsible investment practices	General

During the reporting year, did your organisation select new external investment managers or allocate new mandates to existing investment managers?

- (A) Yes, we selected external investment managers or allocated new mandates to existing investment managers during the reporting year
  - (B) No, we did not select new external investment managers or allocate new mandates to existing investment managers during the reporting year
  - (C) Not applicable; our organisation is in a captive relationship with external investment managers, which applies to 90% or more of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 5	CORE	SAM 4	N/A	PUBLIC	Responsible investment practices	4

During the reporting year, what responsible investment aspects did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

### Organisation

- (A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)
  - Select from dropdown list
    - (1) for all of our mandates
    - (2) for a majority of our mandates
    - (3) for a minority of our mandates
- (B) Responsible investment policy(ies) (e.g. the alignment of their responsible investment policy with the investment mandate)
  - Select from dropdown list
    - (1) for all of our mandates
    - (2) for a majority of our mandates
    - (3) for a minority of our mandates
- (C) Governance structure and senior-level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

#### People and Culture

(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

#### Investment Process

(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

#### Performance and Reporting

(I) ESG disclosure in regular client reporting

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(J) Inclusion of ESG factors in contractual agreements

- (K) We did not review and evaluate any of the above responsible investment aspects when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year



## STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 6	CORE	OO 8, SAM 4	N/A	PUBLIC	Stewardship	4

During the reporting year, which aspects of the stewardship approach did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

**(A) The alignment of their policy(ies) or guidelines on stewardship with the investment mandate**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(B) Evidence of how they implemented their stewardship objectives, including the effectiveness of their activities**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(C) Their participation in collaborative engagements and stewardship initiatives**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(D) Details of their engagements with companies or issuers on risks connected to systematic sustainability issues**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(E) Details of their engagement activities with policy makers**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(F) Their escalation process and the escalation tools included in their policy on stewardship**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(G) We did not review and evaluate any of the above aspects of the stewardship approach when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 7	CORE	OO 9, SAM 4	N/A	PUBLIC	Stewardship	4

**During the reporting year, which aspects of (proxy) voting did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?**

- (A) The alignment of their policy(ies) or guidelines on (proxy) voting with the investment mandate**  
Select from dropdown list
  - (1) for all of our mandates**
  - (2) for a majority of our mandates
  - (3) for a minority of our mandates
- (B) Historical information on the number or percentage of general meetings at which they voted
- (C) Analysis of votes cast for and against
- (D) Analysis of votes cast for and against resolutions related to risks connected to systematic sustainability issues
- (E) Details of their position on any controversial and high-profile votes
- (F) Historical information of any resolutions on which they voted contrary to their own voting policy and the reasons why**  
Select from dropdown list
  - (1) for all of our mandates**
  - (2) for a majority of our mandates
  - (3) for a minority of our mandates
- (G) Details of all votes involving companies where the external investment manager or an affiliate has a contractual relationship or another potential conflict of interest
- (H) We did not review and evaluate any of the above aspects of (proxy) voting when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year
- (I) Not applicable; our organisation did not select new external investment managers or allocated new mandates to existing investment managers for listed equity and/or hedge funds that hold equity.

## APPOINTMENT

### SEGREGATED MANDATES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 8	CORE	OO 5.2, OO 13	N/A	PUBLIC	Segregated mandates	4

**Which responsible investment aspects do your organisation, or the service provider acting on your behalf, explicitly include in clauses within your contractual agreements with your external investment managers for segregated mandates?**

- (A) Their commitment to following our responsible investment strategy in the management of our assets
- (B) Their commitment to incorporating material ESG factors into their investment activities
- (C) Their commitment to incorporating material ESG factors into their stewardship activities
- (D) Their commitment to incorporating risks connected to systematic sustainability issues into their investment activities

- (E) Their commitment to incorporating risks connected to systematic sustainability issues into their stewardship activities
- (F) Exclusion list(s) or criteria
- (G) Responsible investment communications and reporting obligations, including stewardship activities and results
- (H) Incentives and controls to ensure alignment of interests
- (I) Commitments on climate-related disclosure in line with internationally-recognised frameworks such as the TCFD
- (J) Commitment to respect human rights as defined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights
- (K) Their acknowledgement that their appointment is conditional on the fulfilment of their agreed responsible investment commitments
- (L) Other
- (M) We do not include responsible investment aspects in clauses within our contractual agreements with external investment managers for segregated mandates

## MONITORING

### RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 9	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	4

**For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' responsible investment practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)
<b>Organisation</b>			
(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Responsible investment policy(ies) (e.g. the continued alignment of their responsible investment policy with the investment mandate)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(C) Governance structure and senior level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)

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## People and Culture

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(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)

(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)

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## Investment Process

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(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)

(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)

(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks, their response to ESG incidents)

**Performance and Reporting**

(I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)

(J) Inclusion of ESG factors in contractual agreements

(K) We did not monitor any of the above aspects of our external investment managers' responsible investment practices during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 10	PLUS	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

**During the reporting year, which information did your organisation, or the service provider acting on your behalf, monitor for externally managed ESG passive products and strategies?**

**(1) Listed equity (passive)**

(A) How the external investment managers applied, reviewed and verified screening criteria	<input checked="" type="checkbox"/>
(B) How the external investment managers rebalanced the products as a result of changes in ESG rankings, ratings or indexes	<input checked="" type="checkbox"/>
(C) Evidence that ESG passive products and strategies meet the responsible investment criteria and process	<input checked="" type="checkbox"/>
(D) Other	<input type="checkbox"/>
(E) We did not monitor ESG passive products and strategies	<input type="radio"/>
(F) Not applicable; we do not invest in ESG passive products and strategies	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 12	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

**For the majority of your externally managed AUM in each asset class, how often does your organisation, or the service provider acting on your behalf, monitor your external investment managers' responsible investment practices?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)
(A) At least annually	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Less than once a year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(C) On an ad hoc basis



## STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 13	CORE	OO 8, OO 21	N/A	PUBLIC	Stewardship	1, 2

**For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' stewardship practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)
(A) Any changes in their policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The degree of implementation of their policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) How they prioritise material ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) How they prioritise risks connected to systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Their investment team's level of involvement in stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Whether the results of stewardship actions were fed back into the investment process and decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Whether they used a variety of stewardship tools and activities to advance their stewardship priorities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(H) The deployment of their escalation process in cases where initial stewardship efforts were unsuccessful	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Whether they participated in collaborative engagements and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Whether they had an active role in collaborative engagements and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(L) We did not monitor our external investment managers' stewardship practices during the reporting year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 14	CORE	OO 9, OO 21	N/A	PUBLIC	Stewardship	1, 2

**For the majority of your AUM in each asset class where (proxy) voting is delegated to external investment managers, which aspects of your external investment managers' (proxy) voting practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?**

	(1) Listed equity (active)	(2) Listed equity (passive)
(A) Any changes in their policy(ies) or guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Whether their (proxy) voting decisions were consistent with their stewardship priorities as stated in their policy and with their voting policy, principles and/or guidelines	<input type="checkbox"/>	<input type="checkbox"/>



(C) Whether their (proxy) voting decisions were consistent with their stated approach on the prioritisation of risks connected to systematic sustainability issues

(D) Whether their (proxy) voting track record was aligned with our stewardship approach and expectations

(E) The application of their policy on securities lending and any implications for implementing their policy(ies) or guidelines on (proxy) voting (where applicable)

(F) Other

(G) We did not monitor our external investment managers' (proxy) voting practices during the reporting year

## ENGAGEMENT AND ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 16	CORE	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

**What actions does your organisation, or the service provider acting on your behalf, include in its formal escalation process to address concerns raised during monitoring of your external investment managers' responsible investment practices?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)
(A) Engagement with their investment professionals, investment committee or other representatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Notification about their placement on a watch list or relationship coming under review	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Reduction of capital allocation to the external investment managers until any concerns have been rectified	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) Our organisation does not have a formal escalation process to address concerns raised during monitoring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## VERIFICATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 17	CORE	OO 14, OO 21	N/A	PUBLIC	Verification	1

**For the majority of your externally managed AUM in each asset class, how did your organisation, or the service provider acting on your behalf, verify that the information reported by external investment managers on their responsible investment practices was correct during the reporting year?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)
(A) We checked that the information reported was verified through a third-party assurance process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) We checked that the information reported was verified by an independent third party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) We checked for evidence of internal monitoring or compliance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We did not verify the information reported by external investment managers on their responsible investment practices during the reporting year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

# LISTED EQUITY (LE)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?**

	(2) Active - quantitative	(3) Active - fundamental
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?**

**(2) Active - quantitative**

**(3) Active - fundamental**

(A) Yes, we have a formal process that includes scenario analyses

(1) for all of our AUM

(1) for all of our AUM

(B) Yes, we have a formal process, but it does not include scenario analyses

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

○

○

(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

○

○

**(A) Yes, we have a formal process that includes scenario analysis - Specify: (Voluntary)**

In 2022, we updated our capital markets model and strategic asset allocation to reflect and consider our research on climate scenarios. This utilised both qualitative and quantitative scenario analysis, making use of the Network for Greening the Financial System (NGFS) scenarios throughout. The research reflects on how the NGFS's latest iteration, published in September 2022, affects our capital market assumptions, the cascading effects on various asset classes against our climate-agnostic baseline scenario, and how investors can apply the results to asset allocation decisions using a framework-driven approach. Through our external data provider, we have the tools at hand to conduct scenario analysis for all investment portfolios and do so at the discretion of portfolio managers or request of clients. This allows a greater understanding of, and potential to influence, investment decision-making

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?**

	(1) Active - quantitative	(2) Active - fundamental
(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes	o	o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

	(2) Active - quantitative	(3) Active - fundamental
(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(1) in all cases	(1) in all cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(1) in all cases	(1) in all cases
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	(1) in all cases	(1) in all cases
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors	(1) in all cases	(1) in all cases

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

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## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**

**(2) Active - quantitative**

**(3) Active - fundamental**

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(1) for all of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(1) for all of our AUM

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process



(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

**What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?**

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

(1) Active - quantitative

(2) Active - fundamental

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

## FIXED INCOME (FI)

### OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?**

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion	○	○	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○	○	○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, we have a formal process that includes scenario analyses	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a formal process, but does it not include scenario analyses			
(C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) We do not monitor and review the implications of changing ESG trends on our fixed income assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**(A) Yes, we have a formal process that includes scenario analyses - Specify: (Voluntary)**

In 2022, we updated our capital markets model and strategic asset allocation to reflect and consider our research on climate scenarios. This utilised both qualitative and quantitative scenario analysis, making use of the Network for Greening the Financial System (NGFS) scenarios throughout. The research reflects on how the NGFS's latest iteration, published in September 2022, affects our capital market assumptions, the cascading effects on various asset classes against our climate-agnostic baseline scenario, and how investors can apply the results to asset allocation decisions using a framework-driven approach. Through our external data provider, we have the tools at hand to conduct scenario analysis for all investment portfolios and do so at the discretion of portfolio managers or request of clients. This allows a greater understanding of, and potential to influence, investment decision-making.

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?**

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) We incorporate material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate material governance-related factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We do not incorporate material ESG factors for the majority of our fixed income investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?**

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices)	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a framework that differentiates ESG risks by sector	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your organisation incorporate material ESG factors when selecting private debt investments during the due diligence phase?**

**(A) We use a qualitative ESG checklist**

Select from dropdown list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases

**(B) We assess quantitative information on material ESG factors, such as energy consumption, carbon footprint and gender diversity**

Select from dropdown list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases

**(C) We check whether the target company has its own responsible investment policy, sustainability policy or ESG policy**

Select from dropdown list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases

(D) We hire third-party consultants to do technical due diligence on specific material ESG factors where internal capabilities are not available

**(E) We require the review and sign-off of our ESG due diligence process by our investment committee, or the equivalent function**

Select from dropdown list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases

**(F) We use industry-recognised responsible investment due diligence questionnaire (DDQ) templates**

Select from dropdown list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases

- (G) We use another method of incorporating material ESG factors when selecting private debt investments during the due diligence process
- (H) We do not incorporate material ESG factors when selecting private debt investments during the due diligence phase

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?**

	(1) SSA	(2) Corporate	(3) Private debt
(A) We incorporate it into the forecast of financial metrics or other quantitative assessments	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) We make a qualitative assessment of how material ESG factors may evolve	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) We do not incorporate significant changes in material ESG factors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**At what level do you incorporate material ESG factors into the risks and/or returns of your securitised products?**

- (A) At both key counterparties' and at the underlying collateral pool's levels  
Explain: (Voluntary)
- (B) At key counterparties' level only
- (C) At the underlying collateral pool's level only



## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process			
(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways			

(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**How are material ESG factors incorporated into your portfolio risk management process?**

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits	(2) for a majority of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM
(C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors	(2) for a majority of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM
(D) We use another method of incorporating material ESG factors into our portfolio's risk management process				

(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process

## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 13	CORE	OO 21	N/A	PUBLIC	Performance monitoring	1

During the reporting year, how did your organisation incorporate material ESG factors when monitoring private debt investments?

(A) We used a qualitative ESG checklist

Select from dropdown list:

- (1) in all cases
- (2) in the majority of cases
- (3) in the minority of cases

(B) We assessed quantitative information on material ESG factors, such as energy consumption, carbon footprint and gender diversity

Select from dropdown list:

- (1) in all cases
- (2) in the majority of cases
- (3) in the minority of cases

(C) We hired third-party consultants to do technical assessment on specific material ESG factors where internal capabilities were not available

(D) We used industry body guidelines

Select from dropdown list:

- (1) in all cases
- (2) in the majority of cases
- (3) in the minority of cases

(E) We used another method to incorporate material ESG factors into the monitoring of private debt investments

(F) We did not incorporate material ESG factors when monitoring private debt investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of environmental and/or social factors in your fixed income valuation or portfolio construction affected the realised returns of those assets.**

ATOSTR issued a Sustainability linked bond in January at MS+225bp, which is now at MS+165bp. We engaged with them last year on ESG and noted the strong E targets as well as the slightly contrarian view on the operational safety post the improvements, they have made post the bridge collapse in 2018. We believe there is a link between the ESG credentials of the issuer and the strong performance of the issuance to date.

Another example is RYAIR (Ryanair), who kept all of their pilots and cabin crew current during COVID, agreeing to a temporary wage reduction but with scheduled restoration in future years. During last summer they benefitted substantially vs. peers who had made major staff cuts and struggled to recruit them back again when demand rapidly recovered, leading to widescale operational disruption. RYAIR reported record earnings, ratings are back to High BBB, and net debt back close to zero. Bonds now trade very tight as a result

## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 16	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Thematic bonds	1

**What pre-determined criteria does your organisation use to identify which non-labelled thematic bonds to invest in?**

- (A) The bond's use of proceeds
- (B) The issuers' targets
- (C) The issuers' progress towards achieving their targets
- (D) The issuer profile and how it contributes to their targets
- (E) We do not use pre-determined criteria to identify which non-labelled thematic bonds to invest in
- (F) Not applicable; we do not invest in non-labelled thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	CORE	Multiple, see guidance	N/A	PUBLIC	Thematic bonds	1, 2, 6

During the reporting year, what action did you take in the majority of cases when you felt that the proceeds of a thematic bond were not allocated appropriately or in accordance with the terms of the bond deal or prospectus?

- (A) We engaged with the issuer
- (B) We alerted thematic bond certification agencies
- (C) We sold the security
- (D) We blacklisted the issuer
- (E) Other action
- (F) We did not take any specific actions when the proceeds of a thematic bond were not allocated according to the terms of the bond deal during the reporting year
- (G) Not applicable; in the majority of cases, the proceeds of thematic bonds were allocated according to the terms of the bond deal during the reporting year

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your fixed income assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as any deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our fixed income assets subject to ESG screens

## REAL ESTATE (RE)

### POLICY

#### INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 1	CORE	OO 21, OO 24, OO 26	N/A	PUBLIC	Investment guidelines	1 to 6

What real estate-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- (A) Guidelines on our ESG approach to real estate depending on use (e.g. retail and education) and geography
- (C) Guidelines on our ESG approach to major renovations
- (D) Guidelines on our ESG approach to standing real estate investments
- (E) Guidelines on pre-investment screening
- (F) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- (G) Guidelines on our approach to ESG integration into long-term value creation efforts
- (H) Guidelines on our approach to ESG reporting
- (I) Guidelines on our engagement approach related to third-party property managers
- (J) Guidelines on our engagement approach related to tenants
- (K) Guidelines on our engagement approach related to construction contractors
- (L) Our responsible investment policy(ies) does not cover real estate-specific ESG guidelines

## FUNDRAISING

### COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters, or other constitutive fund documents?

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon a client's request
- (C) We added responsible investment commitments in side letters upon a client's request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable; we have not raised funds in the last five years

## PRE-INVESTMENT

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 3	CORE	OO 21	RE 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential real estate investments?

- (A) We assessed ESG materiality for each property, as each case is unique
  - Select from dropdown list:
    - (1) for all of our potential real estate investments
    - (2) for a majority of our potential real estate investments
    - (3) for a minority of our potential real estate investments
- (B) We performed a mix of property level and property type or category level ESG materiality analysis
- (C) We assessed ESG materiality at the property type or category level only
- (D) We did not conduct ESG materiality analysis for our potential real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 3.1	CORE	RE 3	N/A	PUBLIC	Materiality analysis	1

**During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential real estate investments?**

- (A) We used GRI standards to inform our real estate ESG materiality analysis
- (B) We used SASB standards to inform our real estate ESG materiality analysis
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our real estate ESG materiality analysis
- (D) We used GRESB Materiality Assessment (RC7) or similar to inform our real estate ESG materiality analysis**
- (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our real estate ESG materiality analysis**
- (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our real estate ESG materiality analysis
- (G) We used geopolitical and macro-economic considerations in our real estate ESG materiality analysis
- (H) We used green building certifications to inform our real estate ESG materiality analysis**
- (I) We engaged with the existing owners and/or managers (or developers for new properties) to inform our real estate ESG materiality analysis
- (J) Other**

Specify:

We measure the sustainability performance of both our funds and individual properties with a recognised external benchmark: the internationally adopted Global Real Estate Sustainability Benchmark (GRESB) scheme. We also use third-party certification schemes for appropriate local property markets (e.g. BREEAM, LEED, DGNB, HQE etc)

## DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

**During the reporting year, how did material ESG factors influence your selection of real estate investments?**

- (A) Material ESG factors were used to identify risks**  
 Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (B) Material ESG factors were discussed by the investment committee (or equivalent)**  
 Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)**  
 Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (D) Material ESG factors were used to identify opportunities for value creation**  
 Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments



**(E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate**

Select from dropdown list:

- (1) for all of our potential real estate investments**
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

**(F) Material ESG factors impacted investments in terms of the price offered and/or paid**

Select from dropdown list:

- (1) for all of our potential real estate investments**
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(G) Material ESG factors did not influence the selection of our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

**Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential real estate investments?**

**(A) We conduct a high-level or desktop review against an ESG checklist for initial red flags**

Select from dropdown list:

- (1) for all of our potential real estate investments**
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

**(B) We send detailed ESG questionnaires to target properties**

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments**

**(C) We hire third-party consultants to do technical due diligence on specific material ESG factors**

Select from dropdown list:

- (1) for all of our potential real estate investments**
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

**(D) We conduct site visits**

Select from dropdown list:

- (1) for all of our potential real estate investments**
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

**(E) We conduct in-depth interviews with management and/or personnel**

Select from dropdown list:

- (1) for all of our potential real estate investments**
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

**(F) We conduct detailed external stakeholder analysis and/or engagement**

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as for other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(I) Other

○ (J) We do not conduct due diligence on material ESG factors for potential real estate investments

## SELECTION, APPOINTMENT AND MONITORING OF THIRD-PARTY PROPERTY MANAGERS

### SELECTION PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 6	CORE	OO 21, OO 26	N/A	PUBLIC	Selection process of third-party property managers	1, 4

**During the reporting year, how did you include material ESG factors in all of your selections of third-party property managers?**

- (A) We requested information from potential third-party property managers on their overall approach to material ESG factors
- (B) We requested track records and examples from potential third-party property managers on their management of material ESG factors
- (C) We requested information from potential third-party property managers on their engagement process(es) with stakeholders
- (D) We requested documentation from potential third-party property managers on their responsible procurement practices, including responsibilities, approach and incentives
- (E) We requested the assessment of current and planned availability and aggregation of metering data from potential third-party property managers
- (F) Other

Specify:

we asked for EcoVadis Certification

○ (G) We did not include material ESG factors in our selection of third-party property managers

## APPOINTMENT PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 7	CORE	OO 21, OO 26	N/A	PUBLIC	Appointment process of third-party property managers	1, 4

### How did you include material ESG factors when appointing your current third-party property managers?

- (A) We set dedicated ESG procedures in all relevant property management phases**  
 Select from dropdown list:
  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers**
  - (3) for a minority of our third-party property managers
- (B) We set clear ESG reporting requirements**  
 Select from dropdown list:
  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers**
  - (3) for a minority of our third-party property managers
- (C) We set clear targets on material ESG factors**  
 Select from dropdown list:
  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers**
  - (3) for a minority of our third-party property managers
- (D) We set incentives related to targets on material ESG factors
- (E) We included responsible investment clauses in property management contracts**  
 Select from dropdown list:
  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers**
  - (3) for a minority of our third-party property managers
- (F) Other
  - (G) We did not include material ESG factors in the appointment of third-party property managers

## MONITORING PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 8	CORE	OO 21, OO 26	N/A	PUBLIC	Monitoring process of third-party property managers	1, 4

### How do you include material ESG factors when monitoring current third-party property managers?

- (A) We monitor the performance of quantitative and/or qualitative targets on material environmental factors
- (B) We monitor the performance of quantitative and/or qualitative targets on material social factors
- (C) We monitor the performance of quantitative and/or qualitative targets on material governance factors
- (D) We monitor progress reports on engagement with tenants**  
Select from dropdown list:
  - (1) for all of our third-party property managers**
  - (2) for a majority of our third-party property managers
  - (3) for a minority of our third-party property managers
- (E) We require formal reporting at least yearly**  
Select from dropdown list:
  - (1) for all of our third-party property managers**
  - (2) for a majority of our third-party property managers
  - (3) for a minority of our third-party property managers
- (F) We have discussions about material ESG factors with all relevant stakeholders at least yearly**  
Select from dropdown list:
  - (1) for all of our third-party property managers**
  - (2) for a majority of our third-party property managers
  - (3) for a minority of our third-party property managers
- (G) We conduct a performance review of third-party property managers against targets on material ESG factors and/or a financial incentive structure linked to material ESG factors
- (H) We have internal or external parties conduct site visits at least yearly**  
Select from dropdown list:
  - (1) for all of our third-party property managers**
  - (2) for a majority of our third-party property managers
  - (3) for a minority of our third-party property managers
- (I) Other
- (J) We do not include material ESG factors in the monitoring of third-party property managers

# CONSTRUCTION AND DEVELOPMENT

## CONSTRUCTION REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 9	CORE	OO 21, OO 24	N/A	PUBLIC	Construction requirements	1

What ESG requirements do you currently have in place for all development projects and major renovations?

- (A) We require the management of waste by diverting materials (e.g. from construction and demolition, reusable vegetation, rocks and soil) from disposal
- (B) We require the minimisation of light and noise pollution that would affect the surrounding community
- (C) We require the performance of an environmental and social site impact assessment
- (D) We require the protection of the air quality during construction
- (E) We require the protection and restoration of the habitat and soils disturbed during construction and/or during previous development
- (F) We require the protection of surface water, groundwater and aquatic ecosystems by controlling and retaining construction pollutants
- (G) We require constant monitoring of health and safety at the construction site
- (H) We require engagement with local communities and other stakeholders during the design and/or planning process
- (I) Other
- (J) We do not have ESG requirements in place for development projects and major renovations

## MINIMUM BUILDING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 10	CORE	OO 21, OO 24	N/A	PUBLIC	Minimum building requirements	1

What minimum building requirements do you have in place for development projects and major renovations?

- (A) We require the implementation of the latest available metering and internet of things (IoT) technology  
Select from dropdown list:
  - (1) for all development projects and major renovations
  - (2) for a majority of our development projects and major renovations
  - (3) for a minority of our development projects and major renovations
- (B) We require the building to be able to obtain a recognised green and/or healthy building certification for new buildings  
Select from dropdown list:
  - (1) for all development projects and major renovations
  - (2) for a majority of our development projects and major renovations
  - (3) for a minority of our development projects and major renovations
- (C) We require the use of certified (or labelled) sustainable building materials

Select from dropdown list:

- (1) for all development projects and major renovations
- (2) for a majority of our development projects and major renovations
- (3) for a minority of our development projects and major renovations
- (D) We require the installation of renewable energy technologies where feasible

Select from dropdown list:

- (1) for all development projects and major renovations
- (2) for a majority of our development projects and major renovations
- (3) for a minority of our development projects and major renovations
- (E) We require that development projects and major renovations become net-zero carbon emitters within five years of completion of the construction

- (F) We require water conservation measures

Select from dropdown list:

- (1) for all development projects and major renovations
- (2) for a majority of our development projects and major renovations
- (3) for a minority of our development projects and major renovations

- (G) We require common health and well-being measures for occupants

Select from dropdown list:

- (1) for all development projects and major renovations
- (2) for a majority of our development projects and major renovations
- (3) for a minority of our development projects and major renovations

- (H) Other

Specify:

We require minimum EPC certification in additional to green building certification

Select from dropdown list:

- (1) for all development projects and major renovations
- (2) for a majority of our development projects and major renovations
- (3) for a minority of our development projects and major renovations
- (I) We do not have minimum building requirements in place for development projects and major renovations

## POST-INVESTMENT

### MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 11	CORE	OO 21	RE 11.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your real estate investments?

- (A) Yes, we tracked KPIs on environmental factors

Percentage of real estate assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

- (B) Yes, we tracked KPIs on social factors

Percentage of real estate assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(C) Yes, we tracked KPIs on governance factors

Percentage of real estate assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

- (D) We did not track KPIs on material ESG factors across our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 12	CORE	OO 21	N/A	PUBLIC	Monitoring	1

**During the reporting year, what ESG building performance data did you collect for your real estate assets?**

(A) Energy consumption

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(B) Water consumption

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(C) Waste production

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(D) Other

Specify:

carbon emissions (GHG)

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

- (E) We did not collect ESG building performance data for our real estate assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 13	CORE	OO 21, OO 26	RE 13.1	PUBLIC	Monitoring	1, 2

**What processes do you have in place to support meeting your targets on material ESG factors for your real estate investments?**

- (A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance**  
 Select from dropdown list:
    - (1) for all of our real estate assets**
    - (2) for a majority of our real estate assets
    - (3) for a minority of our real estate assets
  - (B) We implement certified environmental and social management systems across our portfolio**  
 Select from dropdown list:
    - (1) for all of our real estate assets
    - (2) for a majority of our real estate assets**
    - (3) for a minority of our real estate assets
  - (C) We make sufficient budget available to ensure that the systems and procedures needed are established**  
 Select from dropdown list:
    - (1) for all of our real estate assets**
    - (2) for a majority of our real estate assets
    - (3) for a minority of our real estate assets
  - (D) We hire external verification services to audit performance, systems, and procedures
  - (E) We collaborate and engage with our third-party property managers and/or tenants to develop action plans**  
 Select from dropdown list:
    - (1) for all of our real estate assets
    - (2) for a majority of our real estate assets**
    - (3) for a minority of our real estate assets
  - (F) We develop minimum health and safety standards**  
 Select from dropdown list:
    - (1) for all of our real estate assets
    - (2) for a majority of our real estate assets
    - (3) for a minority of our real estate assets**
  - (G) We conduct ongoing engagement with all key stakeholders, e.g. local communities, NGOs, governments, and end-users**  
 Select from dropdown list:
    - (1) for all of our real estate assets
    - (2) for a majority of our real estate assets
    - (3) for a minority of our real estate assets**
  - (H) Other**  
 Specify:
 

EMS aligned to the standard ISO 14001
- Select from dropdown list:
- (1) for all of our real estate assets**
  - (2) for a majority of our real estate assets
  - (3) for a minority of our real estate assets



- (I) We do not have processes in place to help meet our targets on material ESG factors for our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 14	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period?**

- (A) We develop property-specific ESG action plans based on pre-investment research, due diligence and materiality findings**

Select from dropdown list:

- (1) for all of our real estate investments**
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments

- (B) We adjust our ESG action plans based on performance monitoring findings at least yearly**

Select from dropdown list:

- (1) for all of our real estate investments**
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments

- (C) We, or the external advisors that we hire, support our real estate investments with specific ESG value-creation opportunities**

Select from dropdown list:

- (1) for all of our real estate investments**
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments

- (D) Other

- (E) We do not manage material ESG risks and opportunities post-investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 17	CORE	OO 21	N/A	PUBLIC	Monitoring	1

**What proportion of your real estate assets has obtained a green or sustainable building certification?**

- (A) All of our real estate assets have obtained a green or sustainable building certification
- (B) A majority of our real estate assets have obtained a green or sustainable building certification**
- (C) A minority of our real estate assets have obtained a green or sustainable building certification
- (D) None of our real estate assets have obtained a green or sustainable building certification

## STAKEHOLDER ENGAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 18	CORE	OO 21	N/A	PUBLIC	Stakeholder engagement	1, 2

### How does your third-party property manager(s) engage with tenants?

(A) They engage with real estate tenants on energy, water consumption and/or waste production

Select from dropdown list:

- (1) for all of our buildings or properties
- (2) for a majority of our buildings or properties
- (3) for a minority of our buildings or properties

(B) They engage with real estate tenants by organising tenant events focused on increasing sustainability awareness, ESG training and guidance

(C) They engage with real estate tenants by offering green leases

Select from dropdown list:

- (1) for all of our buildings or properties
- (2) for a majority of our buildings or properties
- (3) for a minority of our buildings or properties

(D) They engage with real estate tenants by identifying collaboration opportunities that support targets related to material ESG factors

Select from dropdown list:

- (1) for all of our buildings or properties
- (2) for a majority of our buildings or properties
- (3) for a minority of our buildings or properties

(E) They engage with real estate tenants by offering shared financial benefits from equipment upgrades

Select from dropdown list:

- (1) for all of our buildings or properties
- (2) for a majority of our buildings or properties
- (3) for a minority of our buildings or properties

(F) Other

- (G) Our third-party property manager(s) do not engage with tenants

## EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 20	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

**During the reporting year, what responsible investment information was shared with potential buyers of real estate investments?**

- (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory**  
Select from dropdown list:
  - (1) for all of our real estate investments**
  - (2) for a majority of our real estate investments
  - (3) for a minority of our real estate investments
- (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD or GRESB**  
Select from dropdown list:
  - (1) for all of our real estate investments**
  - (2) for a majority of our real estate investments
  - (3) for a minority of our real estate investments
- (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)**  
Select from dropdown list:
  - (1) for all of our real estate investments**
  - (2) for a majority of our real estate investments
  - (3) for a minority of our real estate investments
- (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)**  
Select from dropdown list:
  - (1) for all of our real estate investments**
  - (2) for a majority of our real estate investments
  - (3) for a minority of our real estate investments
- (E) The outcome of our latest ESG risk assessment of the property(s)**  
Select from dropdown list:
  - (1) for all of our real estate investments
  - (2) for a majority of our real estate investments
  - (3) for a minority of our real estate investments**
- (F) Key ESG performance data on the property(s) being sold**  
Select from dropdown list:
  - (1) for all of our real estate investments**
  - (2) for a majority of our real estate investments
  - (3) for a minority of our real estate investments
- (G) Other
- (H) No responsible investment information was shared with potential buyers of real estate investments during the reporting year
- (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

## DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 21	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

During the reporting year, how did you report on your targets on material ESG factors and related data to your investors?

- (A) We reported through a publicly disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors**
- (C) We reported at the property level through formal reporting to investors
- (D) We reported through a limited partners advisory committee (or equivalent)**
- (E) We reported at digital or physical events or meetings with investors**
- (F) We had a process in place to ensure that serious ESG incidents were reported**
- (G) Other
  - (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

## SUSTAINABILITY OUTCOMES (SO)

### SETTING TARGETS AND TRACKING PROGRESS

#### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

- (A) Sustainability outcome #1**
  - (1) Widely recognised frameworks used to guide action on this sustainability outcome
    - (1) The UN Sustainable Development Goals (SDGs) and targets
    - (2) The UNFCCC Paris Agreement**
    - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
    - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
    - (5) The EU Taxonomy
    - (6) Other relevant taxonomies
    - (7) The International Bill of Human Rights
    - (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
    - (9) The Convention on Biological Diversity
    - (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

(1) Environmental

(2) Social

(3) Governance-related

(4) Other

(3) Sustainability outcome name

NZAM AUM Commitment

(4) Number of targets set for this outcome

(1) No target

(2) One target

(3) Two or more targets

(B) Sustainability outcome #2

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

(2) The UNFCCC Paris Agreement

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

(1) Environmental

(2) Social

(3) Governance-related

(4) Other

(3) Sustainability outcome name

NZAM portfolio emissions

(4) Number of targets set for this outcome

(1) No target

(2) One target

(3) Two or more targets

(C) Sustainability outcome #3

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

(2) The UNFCCC Paris Agreement

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

(1) Environmental

(2) Social

(3) Governance-related

(4) Other

(3) Sustainability outcome name

NZAM climate engagement

(4) Number of targets set for this outcome

(1) No target

(2) One target

(3) Two or more targets

(D) Sustainability outcome #4

(E) Sustainability outcome #5

(F) Sustainability outcome #6

(G) Sustainability outcome #7

(H) Sustainability outcome #8

(I) Sustainability outcome #9

(J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1: NZAM AUM Commitment

(1) Target name NZAM AUM Commitment

(2) Baseline year 2019

(3) Target to be met by 2050

(4) Methodology

The fund-level net zero alignment target, i.e. reaching net zero across portfolios, is initially focused on sustainable funds (~35% of our AUM) and over time will expand coverage to all funds. As such, a methodology for target setting has been established and targets are being finalised for a selection of funds. Each fund will have its own bespoke target and associated KPIs at five-year intervals, monitoring progress over time. For the remainder of our funds and our institutional segregated mandates, until they have net zero targets formally set, we will continue to assess the applicability and integration of net-zero objectives in their investment mandates in partnership with our clients and distributors.

(5) Metric used (if relevant)                      % of AUM managed in line with net zero

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):                      35%

(8) Target level or amount (if relevant)                      100%

(9) Percentage of total AUM covered in your baseline year for target setting                      35%

(10) Do you also have a longer-term target for this?                      (2) No

**(B1) Sustainability Outcome #2: Target details**

(B1) Sustainability Outcome #2:                      NZAM portfolio emissions

(1) Target name                      NZAM portfolio emissions

(2) Baseline year                      2019

(3) Target to be met by                      2030

(4) Methodology

The firm-wide reduction target is calculated on the carbon footprint of our equity and corporate bond holdings expressed in terms of the value of the investment based on the Partnership for Carbon Accounting Financials (PCAF) methodology. Equity and corporate bond holdings represent the substantial majority of our investments by value.

(5) Metric used (if relevant)	t CO2 / USD million invested
(6) Absolute or intensity-based (if relevant)	(2) Intensity-based
(7) Baseline level or amount (if relevant):	102.28 t CO2 / USD million invested
(8) Target level or amount (if relevant)	51.14 t CO2 / USD million invested
(9) Percentage of total AUM covered in your baseline year for target setting	100%
(10) Do you also have a longer-term target for this?	(1) Yes

**(C1) Sustainability Outcome #3: Target details**

(C1) Sustainability Outcome #3:	NZAM climate engagement
(1) Target name	NZAM climate engagement
(2) Baseline year	2019
(3) Target to be met by	2030

(4) Methodology

Fidelity's Sustainable Investing team leads an intensive climate engagement programme with our investees, systematically targeting the highest contributors to emissions across our investment portfolios through 3 steps i. Identifying targets that are not aligned to net zero in high impact sectors, using the Climate Rating. ii. Conducting time-bound engagement to achieve transition milestones under the Climate Rating framework, including minimum climate requirements and credible transition plans iii. If companies show no progress after an engagement period not exceeding three years and we see no prospect of increasing their transition potential, we will look to divest. An example of how we have applied this approach is to address our thermal coal exposure and achieve our phase-out commitment by 2030 in OECD markets and 2040 globally, in line with the IEA NZE scenario.



The engagement targets cover over 90% of Fidelity's direct, material exposure to the thermal coal value chain with highly focused, time-bound engagement. Each target has also been subject to a detailed assessment that reflects its progress in meeting our phaseout commitment, which in turn has defined a common set of engagement objectives across the programme:

1. Immediately cease the development of new projects.
2. Commit to shut down or substantially abate their existing assets by the timelines set out in our policy (guided by the IEA's NZE scenario), supported by enhanced disclosures.
3. Ensure that phase-out strategies are just and inclusive and limit any adverse impacts on wider stakeholders. We also prioritise biodiversity, ensuring plant or mine remediations are responsibly managed.

<https://s3-eu-west-1.amazonaws.com/euissmultisiteprod-live-8dd1b69cadf7409099ee6471b87c49a-7653963/international/PDF/download-material/sustainable-investing-principles.pdf>  
[https://www.fidelityinstitutional.com/static/master/media/pdf/esg/fidelity\\_climate\\_change\\_policy.pdf](https://www.fidelityinstitutional.com/static/master/media/pdf/esg/fidelity_climate_change_policy.pdf).

(5) Metric used (if relevant)	top 70% of contributors to emissions across portfolios
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	
(8) Target level or amount (if relevant)	Top 70% of contributors to emissions across portfolios
(9) Percentage of total AUM covered in your baseline year for target setting	100%
(10) Do you also have a longer-term target for this?	(2) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(B1) Sustainability Outcome #2: NZAM portfolio emissions	NZAM portfolio emissions	2050	Net zero across portfolios

## FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
- (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

## TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

**Does your organisation track progress against your nearest-term sustainability outcomes targets?**

**(A1) Sustainability outcome #1:**

(A1) Sustainability outcome #1: NZAM AUM Commitment

Target name: NZAM AUM Commitment

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

**(B1) Sustainability outcome #2:**

(B1) Sustainability outcome #2: NZAM portfolio emissions

Target name: NZAM portfolio emissions

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

**(C1) Sustainability outcome #3:**

(C1) Sustainability outcome #3: NZAM climate engagement

Target name: NZAM climate engagement

Does your organisation track progress against your nearest-term sustainability outcome targets?

(1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

**During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?**

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	NZAM AUM Commitment
(1) Target name	NZAM AUM Commitment
(2) Target to be met by	2050
(3) Metric used (if relevant)	% of AUM managed in line with net zero
(4) Current level or amount (if relevant)	4.85%
(5) Other qualitative or quantitative progress	As a founding signatory of the Net Zero Asset Manager Initiative, Fidelity has pledged to halve its investment portfolio emissions by 2030 and achieve net zero by 2050. We aim to achieve this by engaging with investee companies on their transition and their management of climate risks and opportunities. To that end, we launched the Climate Rating in 2022 to assess the net zero transition potential of issuers based on a 1.5°C decarbonisation pathway. The Climate Rating assesses the entire value chain of companies under three pillars: net zero ambitions (including a credible transition plan), climate governance, and capital allocation.

The top two categories, i.e. achieving net zero and aligning to a net zero path, as well as having a target validated by the Science Based Targets initiative (SBTi) are seen as eligible for a net zero portfolio and we will continue to invest in companies with high or low transition potential while using engagement and our voting rights to encourage further climate action. Companies with no evidence of transition potential will be assessed and considered for divestment.

On an aggregate level, this rating will enable us to assess our portfolio alignment to net zero through bottom-up research. As of December 2022, the Climate Rating covered c. 2,083 issuers. In 2023, we are working to enhance our suite of climate-related tools and solutions to ensure a higher level of consistency and look at companies through a range of different lenses as more climate and nature-related data begins to be disclosed. For example, in 2022, we began to engage with companies on their policy and lobbying positions to ensure that their activity was not inconsistent with their stated climate goals.

(6) Methodology for tracking progress	Fidelity Climate Rating and external assessment tools
<b>(B1) Sustainability Outcome #2: Target details</b>	
(B1) Sustainability Outcome #2:	NZAM portfolio emissions
(1) Target name	NZAM portfolio emissions
(2) Target to be met by	2030
(3) Metric used (if relevant)	t CO2 / USD million invested
(4) Current level or amount (if relevant)	50.2 t CO2 / USD million invested
(5) Other qualitative or quantitative progress	As a founding signatory of the Net Zero Asset Manager Initiative, Fidelity has pledged to halve its investment portfolio emissions by 2030 and achieve net zero by 2050. We aim to achieve this by engaging with investee companies on their transition and their management of climate risks and opportunities.
(6) Methodology for tracking progress	Partnerships for Carbon Accounting Financials

### (C1) Sustainability Outcome #3: Target details

(C1) Sustainability Outcome #3:	NZAM climate engagement
(1) Target name	NZAM climate engagement
(2) Target to be met by	2030
(3) Metric used (if relevant)	top 70% of contributors to emissions across portfolios
(4) Current level or amount (if relevant)	38%
(5) Other qualitative or quantitative progress	<p>Fidelity's Sustainable Investing team leads an intensive climate engagement programme with our investees, systematically targeting the highest contributors to emissions across our investment portfolios through 3 steps</p> <ol style="list-style-type: none"><li>i. Identifying targets that are not aligned to net zero in high impact sectors, using the Climate Rating.</li><li>ii.</li></ol> <p>Conducting time-bound engagement to achieve transition milestones under the Climate Rating framework, including minimum climate requirements and credible transition plans</p> <ol style="list-style-type: none"><li>iii. If companies show no progress after an engagement period not exceeding three years and we see no prospect of increasing their transition potential, we will look to divest.</li></ol> <p>An example of how we have applied this approach is to address our thermal coal exposure and achieve our phase-out commitment by 2030 in OECD markets and 2040 globally, in line with the IEA NZE scenario.</p> <p>The engagement targets cover over 90% of Fidelity's direct, material exposure to the thermal coal value chain with highly focused, time-bound engagement. Each target has also been subject to a detailed assessment that reflects its progress in meeting our phaseout commitment, which in turn has defined a common set of engagement objectives across the programme:</p> <ol style="list-style-type: none"><li>1. Immediately cease the development of new projects.</li><li>2. Commit to shut down or substantially abate their existing assets by the timelines set out in our policy (guided by the IEA's NZE scenario), supported by enhanced disclosures.</li><li>3. Ensure that phase-out strategies are just and inclusive and limit any adverse impacts on wider stakeholders.</li></ol>

We also prioritise biodiversity, ensuring plant or mine remediations are responsibly managed.

In 2022, we witnessed positive engagement outcomes at two large utilities, achieving the engagement objectives listed in #2 above. We also used several escalation mechanisms, including voting against a climate report at a diversified mining company and publicly supporting the decision of another to refrain from an asset sale in favour of an expedited closure.

Once our transition engagement programme ramps, our aim is to sustain engagement with the top 70% of contributors to our emissions from material sectors. Our measure of success will be whether we manage to achieve our portfolio-wide decarbonisation target of -50% by 2030.

(6) Methodology for tracking progress

Partnerships for Carbon Accounting Financials

## INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

### LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets  
Select from drop down list:
  - (1) Individually
  - (2) With other investors or stakeholders
- (B) Stewardship: engagement with external investment managers  
Select from drop down list:
  - (1) Individually
  - (2) With other investors or stakeholders
- (C) Stewardship: engagement with policy makers  
Select from drop down list:
  - (1) Individually
  - (2) With other investors or stakeholders
- (D) Stewardship: engagement with other key stakeholders  
Select from drop down list:
  - (1) Individually
  - (2) With other investors or stakeholders
- (E) Capital allocation

- (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

## CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 7	PLUS	OO 17 FI, SO 1	N/A	PUBLIC	Capital allocation	1

During the reporting year, did you use thematic bonds to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

### Thematic bond(s) label

(A) Sustainability Outcome #1:  
NZAM AUM Commitment

(A) Green/climate bonds

(B) Sustainability Outcome #2:  
NZAM portfolio emissions

(A) Green/climate bonds

(C) Sustainability Outcome #3:  
NZAM climate engagement

## STEWARDSHIP WITH INVESTEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?



## (A) Across all sustainability outcomes

### (1) Describe your approach

A large and growing share of our stewardship activity is focused on climate change and its related risks, which we believe is the most significant long-term systemic risk facing our investee companies. Through our engagement, voting, and collaboration in industry initiatives, we aim to ensure that the decarbonisation of our investment portfolios is aligned to the goals of the Paris Agreement. In 2021, we launched our Climate Investing Policy which emphasised the crucial role of climate stewardship. From routine company dialogues and proxy voting to focused transition engagements, we believe embedding climate change in our investment stewardship will be critical to catalyse and accelerate the transition to net zero.

During 2022, in addition to rolling out our Climate Rating, we launched our thematic engagement on thermal coal designed to phase out our thermal coal exposure by 2030 in OECD markets and 2040 globally in line with the International Energy Agency's (IEA) Net Zero by 2050 scenario. Thermal coal is one of the biggest contributors to emissions and therefore to climate change.

The engagement targets cover over 90% of Fidelity's direct, material exposure to the thermal coal value chain with highly focused, time-bound engagement. Each target has also been subject to a detailed assessment that reflects its progress in meeting our phaseout commitment. As allocators of capital, we have a responsibility to provide transition financing that takes into consideration the effects of the transition on those who are most vulnerable: workers, communities and consumers, particularly in emerging markets. We also began engaging with our investee companies on their public policy positions in relation to sustainability and specifically our systemic themes and signed up to the Global Standard on Responsible Climate Lobbying.

As part of our Climate Rating, Fidelity's fundamental and sustainable investing analysts assess each company's policy stance on specific sustainability issues and where they differ from peers. Where companies score poorly on their policy approach, it affects their overall Climate Rating. Lower ratings may prompt greater engagement or in the event of no progress within a specific period, divestment can be an option.

In 2022, our fundamental and sustainable investing analysts engaged extensively with companies to improve the ambition of climate change strategies and quality of disclosures in over 500 engagements. In these interactions, we promote decarbonisation strategies aligned with the Paris Agreement goals and disclosures of GHG emissions data across all scopes. We also advocate for TCFD-aligned reporting that clearly defines oversight and responsibilities for climate strategy, and assessments of climate-related financial risks and opportunities. Beyond direct dialogues, we believe industry collaboration is imperative to support our ambition of a low-carbon transition.

2022 was the first full year we applied our new voting guidelines on climate change as set out in our Voting Principles and Guidelines. In 2022, we voted against or abstained on directors at 58 companies which failed to meet our minimum expectations on climate change governance, disclosures, and strategy. We engaged with companies on our new voting guidelines before the AGM season and we have seen many companies committing to improve their disclosure or to introduce reduction targets as a result. In these instances, we did not lodge climate-related concerns at the AGM. Going forward, we will continue to evolve our voting guidelines and will be looking to elevate our requirements, especially for high emitters. We remain committed to voting against directors at companies that we believe are failing to adequately address the risks and opportunities posed by climate change.

(2) Stewardship tools or activities used

(1) Engagement  
 (2) (Proxy) voting at shareholder meetings  
 (7) Working directly with portfolio companies and/or real asset management teams

(3) Example

In 2022, we conducted our first round of corporate engagements focused predominantly on EMEA, Oceania and the Americas, covering roughly half of the engagement targets globally. These engagements have been highly constructive, allowing us to hear first-hand some of the key challenges to coal phaseouts experienced by plant operators, mine owners and freight companies, that have helped us to identify potential solutions from those in more advanced stages of transition.

The engagements have also afforded us the opportunity to introduce our approach and communicate our expectations to corporates.

2022 has been a significant year for many companies in our engagement universe and we are seeing promising signs of progress. Compelling examples of this are RWE's announcement in October to accelerate its coal phaseout from 2038 to 2030, Origin Energy's plan to accelerate the retirement of its last remaining coal plant to 2025, and Glencore's announcement to withdraw from a major greenfield coal project, Valeria. We also publicly supported BHP's decision to wind down its Mount Arthur coal mine, abandoning plans to sell the asset to a third party which may have jeopardised hopes for a timely, just and inclusive closure. In Asia, we have also seen promising signals from Indonesia with the announcement of a Just Energy Transition Partnership (JETP) during COP27 and an early retirement for the first coal plant under the Asia Development Bank's (ADB) Energy Transition Mechanism (ETM). And in the US, we expect potentially significant revisions to Integrated Resource Plans (IRPs) at the likes of Ameren and other regulated utilities in response to the substantial tax credits offered by the Inflation Reduction Act.

**(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1: NZAM AUM Commitment

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2: NZAM portfolio emissions

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

**(D) Sustainability Outcome #3:**

(D) Sustainability Outcome #3: NZAM climate engagement

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

- (A) We prioritise the most strategically important companies in our portfolio.
- (B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.**

Describe how you do this:

Fidelity’s Sustainable Investing team leads an intensive climate engagement programme with our investees, systematically targeting the highest contributors to emissions across our investment portfolios through 3 steps i. Identifying targets that are not aligned to net zero in high impact sectors, using the Climate Rating. ii. Conducting time-bound engagement to achieve transition milestones under the Climate Rating framework, including minimum climate requirements and credible transition plans iii. If companies show no progress after an engagement period not exceeding three years and we see no prospect of increasing their transition potential, we will look to divest.

An example of how we have applied this approach is to address our thermal coal exposure and achieve our phase-out commitment by 2030 in OECD markets and 2040 globally, in line with the IEA NZE scenario. The engagement targets cover over 90% of Fidelity’s direct, material exposure to the thermal coal value chain with highly focused, time-bound engagement.

Select from the list:

- 1
- 2
- 3
- 4

- (C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.
- (D) Other

**STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

## (A) Across all sustainability outcomes

(1) Describe your approach

Our engagement also extends to policymakers, where we regularly contribute to public consultations on financing the transition to net zero and the role that asset managers can play. We have increased our engagement with regulators and policymakers on system-wide risks such as climate change and biodiversity loss. We engage with policymakers at national, regional and global levels regarding regulatory sustainable finance initiatives, and participate in Consultation responses. Fidelity participates as member in industry associations such as Asia Investor Group on Climate Change (AIGCC), GFANZ, EFAMA, the Investment Association and other investor groups such as the Institutional Investors Group on Climate Change; PRI and Powering Past Coal Alliance; and through its participation designed to influence specific policy outcomes e.g. to communicate policy asks for the firm or investee sectors or in response to regulation/policy proposal, that will help Fidelity and the financial system as a whole with its transition to Net Zero.

(2) Engagement tools or activities used

- (1) We participated in 'sign-on' letters
- (2) We responded to policy consultations
- (3) We provided technical input via government- or regulator-backed working groups

(3) Example(s) of policies engaged on

-International Sustainability Standards Board (ISSB) has proposed global baseline of sustainability disclosure. First two proposals cover disclosures on sustainability risk and climate risk. We responded to the consultation and we are generally supportive.

-European Sustainability Reporting Standards (ESRS) are mandated by CSRD. ESRS include disclosure standards for sustainability reporting on environmental, social and governance topics. We responded to the consultation.

-UK Transition Plan Taskforce (TPT) is seeking evidence on its sector-neutral framework for private sector transition plans. We welcomed the following aspects of the framework which support our investor analysis: Detailed net zero pathways for companies Whole of system approach Operability with existing frameworks Promotion of the framework internationally Carbon credits disclosure

-We responded to Australia seeking initial key considerations for the design and implementation of the government's disclosure of climate-related financial risks and opportunities

-London Stock Exchange plc (the “Exchange”) is consulting on the creation of its Voluntary Carbon Market and amendments to the Admission and Disclosure Standards (the “Standards”). FIL responded to this consultation emphasising the importance of transparency especially in relation to the permanence of VCM projects

-In July 2022, for the second consecutive year, Fidelity signed the annual Global Investor Statement to Governments on the Climate Crisis, calling for governments to increase their ambition and commitment towards the goals of the Paris Agreement, limiting global warming to 1.5 degrees and building on the commitments agreed at COP26. The letter includes a call on governments to establish new or more ambitious commitments to end all deforestation globally.

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**(B) Sustainability Outcome #1:**

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(B) Sustainability Outcome #1: NZAM AUM Commitment

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(1) Describe your approach

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(2) Engagement tools or activities used

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(3) Example(s) of policies engaged on

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**(C) Sustainability Outcome #2:**

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(C) Sustainability Outcome #2: NZAM portfolio emissions

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(1) Describe your approach

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(2) Engagement tools or activities used

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(3) Example(s) of policies engaged on

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**(D) Sustainability Outcome #3:**

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(D) Sustainability Outcome #3: NZAM climate engagement

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(1) Describe your approach

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(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

## STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

**Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?**

### (A) Across all sustainability outcomes

(1) Key stakeholders engaged

- (1) Standard setters
- (3) Stock exchanges
- (6) External service providers (e.g. proxy advisers, investment consultants, data providers)
- (7) Academia
- (8) NGOs
- (9) Other key stakeholders

(2) Provide further detail on your engagement

Fidelity maintains close relationships with a wide spectrum of stakeholders to help us guide our investee companies. Where legally permitted we are willing to consider collective engagement initiatives, often through collaborative bodies. Relevant factors in determining whether to participate in a collective engagement include the identity of the other leading investors, the relative size of their investment and whether a collective approach will help to achieve a satisfactory outcome.

Topics that may be suited to a collective engagement include the need for management and/or board change, strategy, capital structure, M&A, shareholder rights, addressing climate risk, as well as social issues such as digital inclusion, diversity and modern slavery. As one of the world's largest investment managers, our team also works closely with policymakers, industry groups and non-governmental organisations to improve sustainable behaviours by businesses around the world.

This may take the form of direct dialogue, responding to public consultation requests, or other consultation forums. Fidelity is a member or licensee of a wide range of associations and initiatives including: active lead investors on collaborative engagements under Climate Action 100+ and chair the Engagement and Policy working group for the Asia Investor Group on Climate Change (AIGCC).

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**(B) Sustainability Outcome #1:**

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(B) Sustainability Outcome #1: NZAM AUM Commitment

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(1) Key stakeholders engaged

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(2) Provide further detail on your engagement

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**(C) Sustainability Outcome #2:**

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(C) Sustainability Outcome #2: NZAM portfolio emissions

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(1) Key stakeholders engaged

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(2) Provide further detail on your engagement

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**(D) Sustainability Outcome #3:**

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(D) Sustainability Outcome #3: NZAM climate engagement

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(1) Key stakeholders engaged

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(2) Provide further detail on your engagement

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## STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

**During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Initiative #1

(1) Name of the initiative	Climate Action 100+
(2) Indicate how your organisation contributed to this collaborative initiative	(A) We were a lead investor in one or more focus entities (e.g. investee companies) (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)
(3) Provide further detail on your participation in this collaborative initiative	<p>As a member of Climate Action 100+, we are co-leads on four collaborative engagements, targeted at addressing decarbonisation amongst the world's largest GHG emitters, and are also supporting investors on six other engagements. Two examples below due to character limits.</p> <p>In November 2022, Fidelity acted as co-lead on the Climate Action 100+ (CA100+) engagement with a top Chinese Oil &amp; Gas company. This is the second CA100+ engagement Fidelity has co-led with this company over the last three years. Prior to engagement, the company had fared poorly in past CA100+ Net Zero Company Benchmark assessments, falling short of its domestic and international peers. After three years of ongoing communication and engagement, the company has advanced its climate agenda evidenced by an enhanced climate governance structure, linking green transition KPIs to executive remuneration, setting more detailed dual-carbon goals, and further substantiating its sustainability reporting. From our conversation, it was also very clear that the company plans to invest more into new energy and business types, and continue its research and development around carbon capture, utilisation, and storage (CCUS), and hydrogen technology to enable a greener transition.</p> <p>Nevertheless, there we identified and shared key areas that needed improvement, such as the role that "crude oil-to-chemicals" and "oil to special products conversion" will play in lowering the company's overall GHG emissions in the long term, and how it plans to achieve the ideal output capacity breakdown by 2035. The company agreed to a follow up meeting in 2023.</p>

Grupo Mexico SAB de CV - As part of our Climate Action 100+ engagement, Fidelity hosted two calls during the year with several representatives of the mining company, including the CFO, the CEO of the infrastructure division and the Chief Sustainability Officer. We welcomed the opportunity to engage with various parts of the business and the additional details provided by the company during our last discussion. The company will be disclosing its new emissions reduction targets in the next Sustainability Report due in the spring. They are also considering setting interim targets for all three divisions and including climate performance into executive remuneration. They have set up a sustainability committee at the mining division and are now considering doing the same at the main board level.

The company's climate roadmap is expected to focus on four areas: electrification of mining vehicles (25% of their emissions), construction of renewable energy projects, fuel substitution in trains (25% emissions) and energy efficiency. Their main renewable project (Fenicias wind farm, \$250m investment) is not operating yet due to a dispute with the government on interconnection costs. Other technologies are at exploratory stage. We encouraged them to enhance their disclosure and provide more details on their progress and technologies explored by division. We will be monitoring their progress and the release of the GHG emissions reduction target.

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**(B) Initiative #2**

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(1) Name of the initiative IIGCC/Ceres banking initiative

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(2) Indicate how your organisation contributed to this collaborative initiative (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)

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(3) Provide further detail on your participation in this collaborative initiative Fidelity International has been an active participant in the IIGCC Banking Workstream since 2021. In 2022, to complement this collaborative European-based engagement initiative, we joined the Ceres Banking Workstream, focused on engagement with North American banks, aligned to the work of IIGCC. Both engagement initiatives are targeted at aligning the banking sector with the goals of the Paris Agreement, guided by the Transition Pathway Initiative Net Zero Transition Framework, which has been developed in parallel, and to which Fidelity has contributed feedback.

Fidelity is acting as supporting shareholder on two of the engagements with European Banks. The first bank we are engaging with has made good progress in the last 12 months, setting short-term 2025 targets to reduce financed emissions across three high-impact sectors: Power generation, Oil & Gas and Automotive, while also implementing a coal phase out commitment by 2030 in OECD countries and 2040 globally.

We acknowledged the good progress that the bank has made, while also highlighting key areas where we expect incremental progress, including comprehensive scope 3 financed emissions disclosures, extending to include capital markets activity, advancing their oil & gas emissions reduction targets to include absolute reductions, in addition to the intensity-based target, as well as the need to set additional sectoral targets.

The second bank that we are engaging with has also made progress towards their Net Zero commitment, although there is still significant room for improvement. The bank has set sectoral emissions reduction targets for its coal and oil & gas portfolios. However, these targets fail to include capital markets activity, which accounts for most of the bank's oil & gas exposure. Therefore, we strongly advised that the bank increases the scope of targets to include capital markets, as some peers already have.

In addition, the bank has developed its 'Client Energy Transition Framework' (CETF), classifying clients according to their awareness of the transition and committing to stop financing clients who are classified as 'unaware'. However, the group provides no visibility on the criteria they use to assess transition awareness. Another issue that we flagged to the bank is that as part of their coal policy there is an exception for financing to companies that have a 'credible transition strategy'.

However, the bank fails to define the criteria that they use to assess credibility. The team acknowledged that greater transparency is warranted here, and with respect to the CETF framework. We also encouraged the bank to disclose more information on its lobbying activities and industry associations in the context of aligning to the Paris agreement.

While this is the first time the bank had come across this request from investors, they welcomed the suggestion.

The Ceres engagement initiative was launched in the autumn of 2022. Fidelity has signed up to lead on engagements with two of the US Super-Regional banks, both of which we consider to be climate laggards.

Neither bank has implemented a net zero commitment or discloses information on their scope 3 financed emissions data. Our engagements will focus on both the risks and opportunities these banks may face in the climate transition, tailored to their unique business models. These engagements are due to commence in 1H of 2023.

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### **(C) Initiative #3**

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(1) Name of the initiative

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(2) Indicate how your organisation contributed to this collaborative initiative

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(3) Provide further detail on your participation in this collaborative initiative

**(D) Initiative #4**

(1) Name of the initiative

(2) Indicate how your organisation contributed to this collaborative initiative

(3) Provide further detail on your participation in this collaborative initiative

# CONFIDENCE-BUILDING MEASURES (CBM)

## CONFIDENCE-BUILDING MEASURES

### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

**How did your organisation verify the information submitted in your PRI report this reporting year?**

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (H) We did not verify the information submitted in our PRI report this reporting year

## INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

### What responsible investment processes and/or data were audited through your internal audit function?

- (A) Policy, governance and strategy**  
Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited
  - (3) Processes and data internally audited**
- (B) Manager selection, appointment and monitoring
- (C) Listed equity**  
Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited
  - (3) Processes and data internally audited**
- (D) Fixed income**  
Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited
  - (3) Processes and data internally audited**
- (F) Real estate

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

### Provide details of the internal audit process regarding the information submitted in your PRI report.

In 2022, Fidelity's Internal Audit function performed an audit covering the ESG ratings framework. Internal Audit is part of Fidelity's "Three Lines of Defence" risk management framework providing independent assurance that the organisation's risk management, governance and internal control processes are operating effectively. Internal Audit adheres to the standards set out by The Institute of Internal Auditors (IIA) and other regulations applicable locally in the markets where we operate. Internal Audit has a risk-based approach to its planned coverage of the organisation, which is developed in consultation with management to include audits of specific business areas as well as thematic and emerging risks, and therefore may cover areas related to our stewardship activities in any given year.

No material audit findings were noted as a result of the ESG ratings review. However, several areas for improvement were identified, including further analyst training and recommendations for technological enhancements to support improved governance over the ratings. Investment research and technology teams have implemented all these recommendations during early 2023.

In late 2022, Internal Audit completed a review of Fidelity's TCFD reporting.

While there were no material audit findings, the review highlighted scope for improvement in certain aspects of our reporting and horizon scanning processes. Management is actively working on a remediation plan to address these findings.

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

### Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent**
  - Sections of PRI report reviewed
    - (1) the entire report**
    - (2) selected sections of the report
  - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year