Year ended 2025

Sustainability & Stewardship Report

Including reporting of 'Activities' under the UK Stewardship Code

Published in April 2026

Contents

Explanatory information for retail investors

This report is primarily aimed at professional investors. While it is publicly available and could be accessed by retail investors, it was not designed as such and does not include introductory content. We would encourage retail investors to refer instead to our educational materials which are available on our website.

About Fidelity International

Fidelity International (also "Fidelity") is defined as FIL Limited and its subsidiary entities.

Fidelity International is a privately owned global investment and retirement savings business with operations in more than 30 locations, serving more than 2.8 million customers. Established in 1969 as the international business of Fidelity Investments in the US, Fidelity International became an independent organisation in 1980. Today, Fidelity International is owned mainly by senior management and founding family interests, with charitable organisations holding the remaining ownership stake. Our clients include central banks, sovereign wealth funds, corporates, financial institutions, insurers, wealth managers, and private individuals.

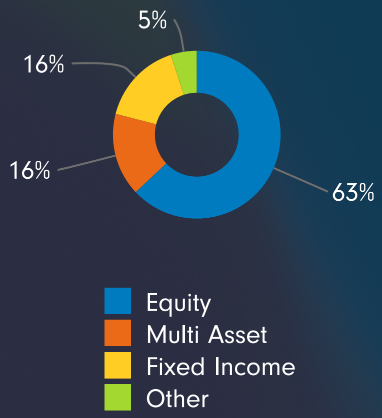
Our purpose at Fidelity International is to help build better financial futures for our clients. We take a long-term approach to investing and provide investment guidance and solutions across markets and client segments.

Fidelity International operates two principal businesses:

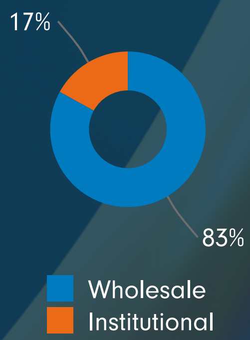
1. **Investment Solutions and Services (ISS):** the asset management business which provides wholesale, institutional and other professional investing solutions through funds and segregated mandates.
2. **Global Platform Solutions (GPS):** the asset owner and asset administrator business which includes workplace investing, personal investing and advisory services.

As at 31 December 2025, Fidelity International's assets under management (AUM) were US$507bn. Fidelity is primarily an active manager, with approximately 11% in passive strategies.* For more on our investment approach, please see our **Sustainable Investing Principles**. The charts on this page show the AUM breakdown by asset class, client type and geography.

By asset class



By client type



Wholesale, GPS and others	**US$423bn**
Europe incl. UK	70%
Asia Pacific and Japan	25%
Middle East, South America and other	5%
Institutional assets	**US$84bn**
Europe incl. UK	36%
Asia Pacific and Japan	38%
North America, Middle East, South Africa and other	26%

*The majority of Fidelity's AUM is managed directly, with a small proportion managed indirectly by third parties. The active third-party managers selected by our multi asset business account for 3.5% of total Fidelity AUM.

Foreword

Geopolitical fragmentation, intensifying sustainability-related risks and a rapidly evolving regulatory landscape reinforce the need for us to continually strengthen our product range, investment tools and stewardship capabilities. Our responsibility is to identify and manage material risks and opportunities so that our clients can meet their financial and sustainability objectives.

In 2025, we continued to engage with investee companies on material issues, including systemic themes such as climate change and emerging concerns around the use of artificial intelligence. We reviewed our stewardship approach in response to regulatory changes and innovated to address specific issues. For example, we combined company, sector and system-level engagements to highlight steel-related methane emissions in Australia. We also expanded our EU product range, ensured our funds met ESMA naming requirements and explored ways to enhance our frameworks and data sets.

We published our first standalone Climate Transition Plan, and our inaugural report partially aligned to the Taskforce on Nature-related Financial Disclosures (TNFD), fulfilling a commitment as an early adopter. Together, these foundations support readiness for the upcoming adoption of the International Sustainability Standards Board framework. We also continued our engagement with regulators to help ensure effective implementation as new reporting regimes are introduced for entities and products.

As expectations evolve, clarity matters. We have taken deliberate steps to integrate overlapping yet distinct disclosures into a cohesive reporting framework. Our objective is to provide clients, regulators and other stakeholders with a clear, consistent, decision-useful view of how we are integrating sustainability considerations into our investment processes and stewarding capital responsibly, while also managing impacts within our own operations.

In this report, you will find updates and examples of our approach to: 1) integration of sustainability into investment processes; 2) company and system-level stewardship; 3) investment solutions for clients; and 4) corporate sustainability aims.

Taken together, these reflect our commitment to the continuous evolution and strengthening of our integration practices, active stewardship and reporting transparency in support of our clients' objectives.

Niamh Brodie-Machura

Chief Investment Officer, Equities

Jenn-Hui Tan

Chief Sustainability Officer

Sustainability highlights - 2025

Expanded SFDR Art.9 range with new Paris Aligned Equity Research Enhanced ETFs.

Received UK FCA approval of 6 SDR labelled funds.

Released our inaugural combined Climate & Nature report, partially aligned to the TNFD recommended disclosures, fulfilling our commitment as an early adopter.

Published our first Climate Transition Plan.

Joined Investor Alliance for Human Rights and the PRI Human Rights and Social Issues Reference Group.

Established the Steel Methane Investor Initiative to engage with stakeholders in the metallurgical coal mining value chain.

Developed a solution to better track engagement milestones.

Reduced operational carbon emissions by 22% compared to 2024. On track to achieve Net Zero across FIL's business operations in 2030.

Agreed new Corporate Sustainability targets for 2027.

1623 company engagements on ESG matters, 4221 meetings voted at.

Sustainable investing

Ratings

- **PRI Rating 2025** – 3 to 5 stars in all assessed categories

Awards

- **The Asset Triple A Awards** - ESG Asset Management Company of the Year 2025
- **ICGN Excellence in Stewardship Award** in the Organisation, Team or Collaboration category
- **PRI Award for Recognition for Action** – Human Rights

Corporate sustainability

Ratings

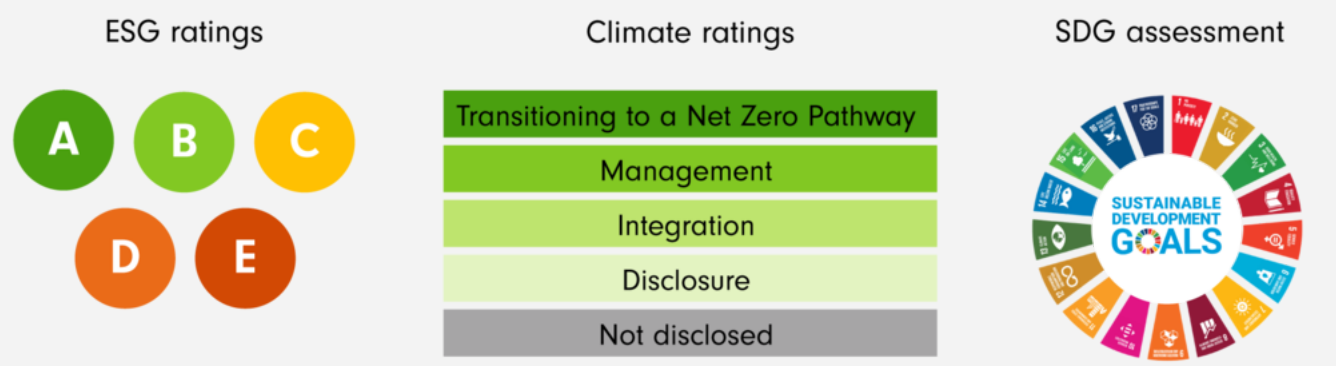
- **EcoVadis Sustainability Rating:** Bronze Medal

Awards

- **Stonewall UK** - Proud Employers Accreditation
- **The Times Top 50 Employers for Gender Equality**
- **Financial Times Adviser Award:** Championing Disability Inclusion Employer of the Year
- **DivHERsity Awards India:** Top20 Most Innovative Practices in relation to programmes and hiring; Top5 ForHer Company Award
- **Work with Pride "Pride Index" award granted to Fidelity Japan**

Integration

Fidelity aims to integrate sustainability into investment considerations through a range of proprietary and third party tools and data sets. These are used for various purposes, including supporting our Fidelity Sustainable Investing Framework and associated fund building blocks, informing our investment research and helping our fundamental and sustainability analysts to prioritise engagements.



During 2025, we made enhancements to a subset of our tools to improve their quality and coverage:

- Our **proprietary Climate Rating was enhanced** through the integration of additional datasets, enabling the development of a more robust quantitative model as the core driver of ratings, while retaining analyst-led qualitative overrides. This improved both the coverage and practical usability of the rating.
- We **conducted targeted sampling of analyst ESG ratings** as part of our ESG ratings governance process to ensure consistent application of our methodology.
- We **implemented a structured controversy monitoring process** to better inform internal stakeholders, including investment teams, of significant controversies with potential implications for investment outlooks. This enabled more timely and consistent updates across teams.
- We **developed internal ESG data dashboards**, including carbon emissions and EU Principal Adverse Indicators (PAIs), to improve the presentation of complex datasets for investment and client-facing teams.
- We developed a new **UK Sustainability Disclosure Requirements (SDR) fund dashboard** to support the the achievement of sustainability objectives for UK SDR-labelled funds.

- We **migrated our SDG Tool to a strategic platform**, delivering improved data integration and enhanced analytical capabilities for analysts and portfolio managers.
- We also **developed a labelled debt model** to evaluate and classify labelled debt instruments, such as green, social and sustainability bonds, based on their sustainability credentials, supporting more consistent internal assessment of labelled debt. The model contributes to our creation of thematic investment universes and Sustainable Investments classification.
- A **data provider due diligence template was introduced** to provide a structured and consistent framework for reviewing and onboarding ESG data providers. It supports systematic assessment across key governance, data quality, methodology, and regulatory considerations.

Additionally, we onboarded additional service providers to improve the efficiency, consistency, and scalability of our tools, including data management services and reporting platforms. Our pipeline for the next 12 months reflects areas of focus for the team, though delivery remains subject to capacity and cost constraints.

Onboarded	Enhancements	Pipeline
▪ FIL's Labelled Debt Model ▪ Security reference data ▪ ESG reporting ▪ Climate Rating	▪ Fidelity's proprietary tools: • Engagement Tracker • SDG Tool • Climate Rating • Carbon & PAI dashboards ▪ Fidelity's Sustainable Investing PM dashboard ▪ Significant controversies framework	▪ Geospatial asset data for physical risk ▪ Internal AI tools for research and reporting ▪ Carbon portfolio attribution
Last twelve months		Next twelve months

Resources to support sustainability activities

Fidelity has established a dedicated Sustainability function to support sustainable investing, stewardship, product development and related reporting. Our Sustainability function is led by the Chief Sustainability Officer, supported by senior leads for Stewardship and Sustainable Investing Strategy & Reporting. It comprises approximately 30 sustainability and stewardship professionals, bringing expertise across governance, sector research, policy, climate, nature, reporting, stewardship and engagement. On average, team members have over eight years' experience in sustainability or stewardship and more than twelve years of industry experience, with some individuals having over 18 years' experience in similar roles.[1]

Training and development

To support effective sustainable investing and stewardship activities, Fidelity has established a training and development programme designed to embed sustainability knowledge and expertise across the business. Training is delivered through a combination of internal and external resources

[1] Source: Fidelity International as at 31st December 2025.

and is tailored where appropriate to reflect the requirements of different teams, jurisdictions and regulatory frameworks.

Training is updated periodically to reflect evolving market and regulatory developments. We also host regular internal webinars and training sessions for all Fidelity employees, often led by our specialist in-house Sustainability team. Topics in 2025 included the regulatory landscape, how Fidelity integrates ESG factors, and stewardship and voting trends.

Finally, the Sustainability team aims to improve its specialist knowledge on an ongoing basis to support stewardship and sustainable investing activities more directly. This includes self-directed learning from sources such as webinars, sell-side research and conferences. In 2025, we undertook internal capacity building for the team on topics such as AI usage and training on the UN Guiding Principles on Business and Human Rights.

Stewardship

We view stewardship as a core component of how we discharge our fiduciary responsibilities in support of long-term investment outcomes for clients. We believe that active ownership can strengthen investment insight and encourage improved issuer practices. Our scale and global reach expose us to systemic environmental, social and governance risks, and facilitate corporate access.

Our stewardship approach builds on our Influence Framework and consists of three areas of focus:

1. Company level engagement and voting targeting company specific issues, including corporate governance.
2. Thematic engagement on priority sustainability issues seeking to mitigate the adverse impact of systemic, transversal risks with a focus on companies, industry bodies and regulators; and
3. Engagement with industry bodies and regulators to help promote efficient and resilient financial markets.

This section of the report provides a summary of our stewardship activities in 2025, followed by an update on progress against the three areas of focus outlined above together with case studies to demonstrate how our stewardship activities work in practice.

Summary of our stewardship activities in 2025

Our stewardship approach, tools, and datasets continue to evolve as we seek to enhance the efficiency and effectiveness of our practices. In 2025, following an extensive trial, we implemented several updates to our stewardship tracking capabilities and related governance processes. This included enhancing our internal research platform, moving beyond activity-based tracking to systematic monitoring of progress against clearly defined engagement milestones. These changes were underpinned by detailed guidance and robust governance and review procedures to ensure the integrity of our engagement processes. Initially focused on our thematic engagements, the update provides investment teams with clearer visibility of issuer-level progress, improves data quality, and enables consistent assessment of outcomes over time across our systemic areas of focus: climate change, nature loss, social capital, and effective governance.

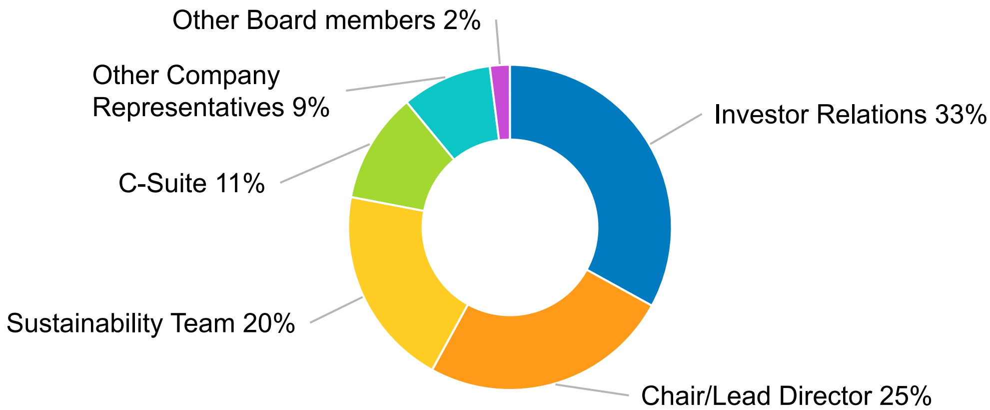
In Q4, we published updates to our **Voting Principles and Guidelines.** We also published an updated version of our **Approach to Engagement** to reflect our current practices, which are also incorporated into our revised **Sustainable Investing Principles**. The latter also contains our 'Policy and Context' reporting under the UK Stewardship Code. During 2025 we did not make substantive changes to our key policies or approach.

Below we provide a detailed update of our stewardship activities in 2025 conducted in line with our relevant policies.

Engagement statistics

In 2025, Fidelity conducted 1,623 ESG engagement activities with 1,261 companies. This comprised 509 in-person or remote engagement meetings with companies (2024: 658) and 1,114 written communications (2024: 868), including letters and communications related to voting.

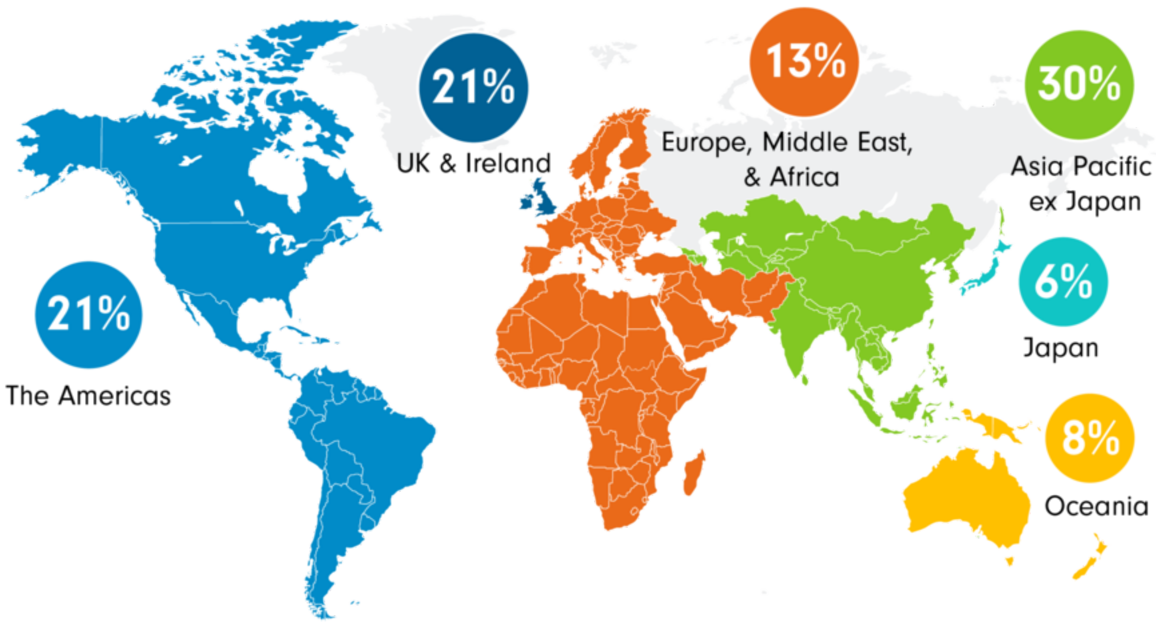
Chart 1: Who we engage with



Source: Fidelity International, 2026

The largest share of ESG engagement activities were with companies based in Asia Pacific ex Japan (30%) followed by the Americas (21%), the UK and Ireland (21%), Continental Europe, the Middle East and Africa (13%), Oceania (8%), and Japan (6%).

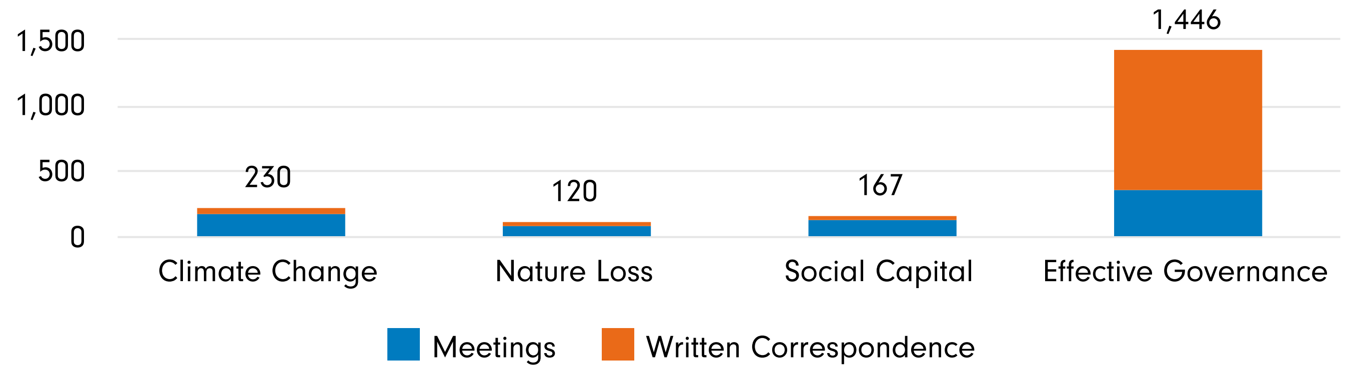
Chart 2: Engagements by region in 2025



Source: Fidelity International, 2026

We track and report our ESG engagement activities across four areas of focus: climate change, nature loss, social capital and effective governance. For our in-person or remote engagement meetings, 180 meetings discussed climate change, 97 nature loss, 144 social capital and 372 effective governance. Engagements through written communication were issued 50 times to address climate change, 23 times for nature loss, 23 for social capital topics and 1,074 times in relation to effective governance.

Chart 3: Engagements by theme



Source: Fidelity International, 2026

Written correspondence includes letter-writing campaigns and email correspondence, often related to voting at shareholder meetings for the purpose of improving a company's governance or sustainability practices. Note that many of our ESG engagement activities may cover more than one of the four systemic areas of focus. For climate change, nature loss and social capital themes, excluding effective governance, we predominantly engage in meetings.

Summary voting statistics

Fidelity voted at 4,221 shareholder meetings in 2025, which included votes against management on at least one resolution at 42% of the meetings. The most common reasons for voting against management were: 1) Director Independence (45% of votes against); 2) Board Gender Diversity (11% of votes against); and 3) Remuneration (11% of votes against). More information on our voting activity in 2025 is provided later in this report.

Summary system-level activity statistics

Fidelity responded to 21 ESG-related consultations in 2025 issued by governmental and regulatory bodies and standard-setting organisations across multiple countries. Fidelity also engaged with over 25 government departments across Australia, Asia and Europe. The most common themes for policy engagement were: 1) climate 2) product regulation 3) corporate sustainability disclosures and 4) corporate governance.

Limitations of stewardship approach

Our stewardship approach is subject to a range of limitations, including data availability and quality, varying levels of corporate disclosure, and differences in local market practices and regulatory environments. The effectiveness of stewardship may be influenced by the level of ownership, capital structure and influence that we have in relation to a particular issuer. Typically, our stewardship activities focus on equity and fixed income issuers where we have material holdings and/or access and where we can most effectively apply our resources. Stewardship practices may differ for other asset classes due to their specific characteristics, legal structures and market practices.

Our engagements may not achieve the targeted outcomes. While we seek to apply our stewardship policies globally, we adapt our approach to local conditions and regulations, e.g. we may have different expectations for local companies in emerging markets in terms of disclosure than for those operating globally. While we report outcomes in relation to stewardship, we cannot attribute them to our efforts given other influences on firms including other stakeholders and regulations. We do however note where the company or other stakeholder has provided direct feedback on changes they are making in relation to our engagement and voting activities.

Company engagement and voting in 2025

This section provides an update on our company-specific bottom-up engagements and voting activities. These bottom-up engagements are distinct from our top-down thematic engagements contained in the next section, and may be triggered by catalysts such as:

- Analyst research identifies a weakness or changing trajectory on a sustainability issue at a firm
- ESG or Climate Ratings identify an area of concern
- Event-driven concerns, such as controversies and acquisitions, impact corporate value
- Proxy voting research identifies corporate issues that need to be addressed

ESG engagements are carried out by investment analysts and portfolio managers in collaboration with the Sustainability team, and engagement insights are recorded in a shared internal research platform, enabling integration across asset classes. We seek to record and monitor progress against set engagement objectives over time, with an enhanced monitoring system for our thematic engagements.

Our stewardship activities (including voting) are primarily linked to Fidelity as a shareholder in a company, but we also engage with issuers as a fixed income investor, and with other stakeholders as part of our real estate and multi-asset strategies. We provide engagement case studies for multi-asset and real estate at the end of this section.

Once we have identified a target for engagement, we then consider the most effective approach, from initial fact-finding to establishing key objectives for the engagement as well as the appropriate method. Our approach takes various forms, including conference calls, face-to face meetings, and the writing of letters (either as an individual shareholder or collectively with other investors) to the board and/or management team outlining the areas of improvement or expectations.

Our approach will depend on the specifics of the individual engagement. In some cases, for example, to communicate policy changes or proxy voting intentions, written communication may be a quicker and more efficient form of communication while more in-depth engagements will generally require direct dialogue.

Stewardship escalation and investment outcomes

As a general policy, we aim to work with the management of the companies in which we invest. On occasion, our views may differ from those of management or the board, and this may give rise to an escalation in our engagement.

Information gathered during engagement activities can support investment decision-making by providing evidence that informs portfolio managers' assessment of the sustainability characteristics of the affected companies. While decisions to purchase, exit or hold an investment are typically influenced by multiple factors, in certain circumstances ESG criteria may determine whether an instrument is eligible for inclusion in a portfolio (e.g. company involvement in excluded activities, such as controversial weapons, or a minimum ESG score requirement).

Case studies

Below we outline case studies of engagements with specific companies grouped by our focus on effective governance and other sustainability topics. This includes examples of where our stewardship activities informed investment decisions during the year (e.g. our engagements with a South Korean gas producer and UK consumer services company) and case studies relating to escalation activities (e.g. with an Australian medical technology company and Harbour Energy). All case studies relate to stewardship activities undertaken in 2025 or to outcomes from previous engagements that occurred in 2025, unless otherwise stated.

Effective governance

Well-governed companies are expected to: create sustainable value through prudent capital allocation, manage their risks effectively, be accountable to holders of risk capital, and have regard for their impacts on employees, customers, communities, and other key stakeholders. Good governance can also be a signifier for progress on our other systemic themes. Our expectations for issuers on this topic, including how they are reflected in our voting approach, are set out in our **Voting Principles and Guidelines.** Below we include examples of engagements that took place wholly or partly during 2025 covering a variety of governance issues.

Automobile company

Country:	India	**Sector:**	Consumer Discretionary	**Escalation:**	N/A
Topic:	Effective Governance, Climate Change	**Attendees:**	IR/CFO; all modes	**Asset Class:**	Equity

Objective: To encourage continuous improvements in corporate governance, in particular regarding board composition at one of the largest automobile manufacturers in India.

To encourage the company to enhance climate management practices, including setting greenhouse gas emissions reduction targets.

Engagement action: Our multi-year engagement efforts sought to address concerns, including:

- CEO’s membership on the audit committee.
- Long tenured chairperson.
- Potential affiliation of an independent director due to involvement in the company’s legal firm partner.

These engagements took the form of written letters, conference calls, and in-person meetings, including with the investor relations team and the CFO. We encouraged the company to begin to make improvements to address these issues with a focus on the independence of board and key committees. Since 2022, we have discussed the company’s progress on climate management during our engagements, given the materiality of the topic for the industry. Specifically, we recommended that the company establish a greenhouse gas emission reduction target.

Outcome: In 2023, the company acted on our suggestions to enhance audit committee independence oversight by having the CEO step down as an audit committee member. It appointed two new independent directors, partially addressing our concern regarding independent representation on the board and committee, given the long-tenured chairperson and potentially affiliated independent directors.

In the 2024 engagement prior to the AGM, the company committed to further address our concern. In view of the proactive steps and positive engagements, including the previous commitments that were formally confirmed by the CFO in writing, we supported the company’s resolutions.

The company announced its emission reduction targets of 80% of scope 1 and 2 greenhouse gas emissions per motorcycle by FY30 in 2023. In 2024, the management shared it had initiated the work on calculation of scope 3 emissions. It is also in the process of establishing a long-term decarbonisation roadmap. In April 2025, the company took significant steps towards its commitment to strengthen corporate governance. Two additional independent directors were appointed to the board, while the long-serving chairperson stepped down. These changes have brought the company's board composition and committee structure in line with our expectations for independence standards.

Medical technology company

Country:	Australia	**Sector:**	Healthcare	**Escalation:**	☑
Topic:	Effective Governance	**Attendees:**	Board; In person/vote	**Asset Class:**	Equity

Objective: Improve board effectiveness and governance. Background: The company is a medical technology business with a global wound-care platform and an established international footprint. In March 2025, the then CEO was asked to suddenly step down by the board, highlighting conflicts between the board and management. The chair had a strong leadership style, and we were concerned that it was interfering with the company's operations and strategic direction and could potentially lead to talent attrition. From our engagement, we had reached the view that the chair's board leadership was no longer constructive from a value creation, leadership-team development, and governance standpoint. In our assessment, the "tone at the top" and board dynamics needed to shift to better support execution and rebuild stakeholder confidence.

Engagement action: Our portfolio managers aligned on a clear stewardship position. We would explain to the chair that meaningful change was required or we would vote against him at the annual general meeting (AGM). We considered escalation options, including calling for an extraordinary general meeting (EGM). However, we concluded an EGM would likely be disproportionately disruptive, diverting management attention, prolonging uncertainty, and increasing organisational distraction at a critical time.

We therefore chose a more targeted escalation path and decided to use the AGM vote to create accountability and prompt board renewal. We communicated that, absent clear action, we would vote against the chair's re-election. The intent was not simply to register dissent, but to catalyse a reset in governance and leadership to strengthen board balance and enable the executive team to operate with clearer support and oversight.

Outcome: Ahead of the AGM, the company announced that the chair would step down from the board and would not stand for re-election, with the resolution for his re-election withdrawn. The board appointed an existing non-executive director as chair, and the AGM proceeded as scheduled. Market reaction was positive on the news, with the share price increasing around 4% on the day the resignation was announced.

From a stewardship perspective, this delivered a governance reset without the added disruption of an EGM. We believe the resulting board balance and leadership structure are stronger and better positioned to support sustainable long-term value creation.

Specialty gas producer

Country:	South Korea	**Sector:**	Materials	**Escalation:**	☑
Topic:	Effective Governance	**Attendees:**	Board/CSO/CFO; In person	**Asset Class:**	Equity

Objective: To encourage the company to improve its capital allocation strategy through voting and engagement.

Engagement action: Fidelity's portfolio managers and analysts have been engaging with the company on capital management concerns for multiple years, which includes an official letter to the board in 2024 highlighting our concerns regarding the management's suboptimal capital allocation strategy. We recommended that the company raise dividend payouts, conduct share buybacks, and cancel treasury shares. We believed that proactive capital management would be in the best interests of shareholders and drive a positive re-rating of the company's share price. Although the company has marginally increased its dividend payout, we remained concerned with the lack of more meaningful progress.

Outcome: To escalate our concerns, a Fidelity analyst attended the 2025 Annual General Meeting in person, seeking to raise questions directly with the board. We were disappointed that the Board of Directors, apart from the CEO, did not attend the meeting. A subsequent meeting with the Chief Strategy Officer (CSO) and Chief Financial Officer (CFO) further solidified the analyst's view that the company was a potential value trap for investors, given its persistently poor capital allocation strategy. The portfolio manager involved in the engagement later reduced their position. There are no current plans to engage the company further.

Consumer services company

Country:	United Kingdom	**Sector:**	Consumer Services	**Escalation:**	☑
Topic:	Effective Governance	**Attendees:**	Chair; Virtual meeting, Letter	**Asset Class:**	Equity

Objective: We requested a call with the chair in August 2025 after the company announced an acquisition in a non-core business line and issued a profit warning, which triggered a 20% fall in the share price. We raised concerns about the company's investor communications; asked about the board's view on the state of the core business, the transaction, and level of net debt following the transaction; and probed the quality of the board's challenge of management and the strategy.

Engagement action: Following the initial engagement, we spoke to a co-shareholder of the company. Based on this discussion and the negative share price reaction, we believed that a significant portion of the share register likely shared our concerns. We decided to escalate to a collaborative engagement platform which could facilitate a group engagement with the board on an anonymous basis. The purpose of doing this was to make the board aware of wide-ranging concerns in the shareholder base regarding the company's governance and investor communications. The platform reached out to other shareholders of the company bilaterally and confirmed that there was a critical mass which shared broadly the same concerns and was interested in engaging the board on these matters.

Outcome: In October, the platform wrote to the chair on behalf of a group of shareholders representing 16% of the share capital. The letter expressed support for the company's long-term potential whilst raising concern about communications and board oversight of management. In November, the platform held a meeting with the chair to discuss the concerns raised in the letter. The meeting was successful in sensitising the board to these issues. The board acknowledged that investor communications had been poor and that it was working with an outside advisor to improve this, and the company was also working to develop a more accurate forecasting capability to improve their ability to guide the market. The board signalled that M&A remained an important component of the long-term strategy but was unlikely to be pursued in the near term given the low share valuation, debt level, and the need to focus on the core business and bedding in the new acquisition.

As of December 2025, several of our funds remained shareholders in the company; however, our conviction in the equity story had weakened, and we therefore reduced our positions.

Specialty chemicals company

Country:	United Kingdom	**Sector:**	Chemicals	**Escalation:**	N/A
Topic:	Effective Governance	**Attendees:**	Board; Virtual meeting	**Asset Class:**	Equity

Objective: Improve board effectiveness and governance.

Engagement action: We engaged the company intensively over the course of a year, beginning in October 2024, in relation to concerns we had about the company's capital allocation and board oversight. By this point, multiple activist investors had already publicly called for changes of strategy at the company. During this period, we held six meetings or calls with three of the non-executive directors, which helped us to form a picture of the company's governance and allowed us to convey our views directly to the board, including in respect of proposed changes to the board composition. During this stretch of time, the board appointed a new non-executive director, CEO, and CFO, and approved the sale of one of the company's business units, which removed a significant overhang on the stock.

Outcome: A further change to the board composition was announced in 2025. The engagement helped us to build conviction in the potential for a positive outcome and enabled us to provide the board with our perspective on mooted changes to the company's governance which we hope will support improved performance.

Harbour Energy

Country:	United Kingdom	**Sector:**	Energy	**Escalation:**	☑
Topic:	Effective Governance	**Attendees:**	Rem Chair; Virtual meeting	**Asset Class:**	Equity & Fixed Income

Objective: Ensure proposed changes to ongoing management compensation and a one-time award are aligned with long-term shareholder interests.

Engagement action: In December 2024, we held a call with the Remuneration Committee Chair to discuss proposed changes to executive compensation and a proposed one-time award for the completion of the Wintershall Dea transaction. We suggested we were supportive of changes to pay on an ongoing basis. However, we had significant reservations about the one-time, cash award with no holding restrictions for the CEO that was linked to completing the recent transaction. We suggested our preference would be to have some form of share price linkage (e.g. TSR hurdles) and deferral to ensure broader shareholder alignment, in case the proposal was not accretive.

Outcome: Ahead of the 2025 AGM, the company published its final proposal for the new Remuneration Policy and Long-Term Incentive Plan. There were no significant changes to the proposal from December. Accordingly, Fidelity funds voted against each of the three proposals at the AGM and used the opportunity to reiterate our expectations to management. Irrespective of the voting outcome, we have seen Fidelity funds reduce exposure, with one fund divesting entirely due to governance concerns relating to the one-time award. Each item received shareholder approval, with dissent ranging from 13.2%-19.9% of voted shares. However, excluding insiders and strategic owners, Fidelity calculates the policy and LTIP would not have been approved, underscoring governance concerns. We will continue to monitor governance at the company and communicate expectations, where appropriate.

Norfolk Southern Corporation

Country:	United States	**Sector:**	Industrials	**Escalation:**	N/A
Topic:	Effective Governance, Social Capital	**Attendees:**	Investor Relations/Legal; Virtual	**Asset Class:**	Equity and Fixed Income

Objective: To reinforce Norfolk Southern's commitment to operational safety during a period of heightened uncertainty surrounding its proposed acquisition by Union Pacific Corporation (UNP).

Engagement action: Ahead of the Extraordinary General Meeting (EGM) in November 2025, where the board sought shareholder approval for the proposed acquisition by Union Pacific, Norfolk Southern reached out to share its perspective and invite our feedback. The Investor Relations and General Counsel representatives highlighted the strategic rationale: operational efficiencies, improved service through a single-line network, and access to new markets. This engagement came at an important time. The merger will be reviewed by the Surface Transportation Board (STB) in 2026, assessing its impact on competition, service, safety, and the public interest. As the first major rail merger under the STB's merger rules, the process is unprecedented and highly uncertain. Norfolk Southern has paused dividends and share repurchases to preserve cash.

We have engaged with Norfolk Southern for years, particularly after the East Palestine derailment in 2023, which triggered nationwide scrutiny of rail safety and cost the company over US$2.2 billion. While we support the merger rationale, we sought assurance that safety remains a top priority during this transition, encouraging transparency, incentive alignment, and strong governance oversight.

Outcome: Norfolk Southern reaffirmed that safety is central to its operations and strategic positioning. The team highlighted initiatives such as mandatory safety discussions for mid-management, a newly appointed VP of Safety focused on root cause analysis, and a "speak-up" culture empowering employees to halt unsafe practices. Safety performance is tied to incentive metrics, reinforcing accountability.

The company also outlined governance enhancements, including a board-level Safety Committee and local safety and service committees providing comprehensive oversight. Accident rates and service quality have improved under the new COO, signalling operational progress. While regulatory approval remains uncertain, management views safety as a strategic lever for securing approval and sustaining long-term performance. We gained comfort that Norfolk Southern remains committed to safety as a core priority during this transition, increasing confidence in our investment thesis.

Japan governance

In Japan, our enhanced governance engagement supports management teams in strengthening corporate value creation from an investor's perspective. Leveraging the Tokyo Stock Exchange's Price-to-Book Ratio (PBR) initiative designed to improve long-term value, we use constructive dialogue to clarify key valuation drivers by breaking down metrics such as return on equity (ROE) and PBR into core components, including capital efficiency, growth, and cost of capital. We emphasise that sustainable value creation depends on management accountability, disciplined capital allocation, and active dialogue with capital markets, with strong governance playing a central role in lowering capital costs and enhancing long-term returns. Below we include some examples of our approach.

Specialty chemicals company					
Country:	Japan	**Sector:**	Chemicals	**Escalation:**	☑
Topic:	Effective Governance	**Attendees:**	CEO; In person	**Asset Class:**	Equity

Objective: To support sustainable corporate value creation by encouraging more efficient capital allocation, a clearer articulation of value enhancement priorities, and deeper, more constructive engagement with the capital markets.

Engagement action: We maintained an ongoing dialogue with the company over several years, during which we shared our perspective that its market valuation did not appear to fully reflect its solid operating performance. In discussions with board members, we expressed concern that extensive cross shareholdings continued to weigh on capital efficiency, and that the company's approach to capital policy did not yet clearly signal a strong orientation toward long term value enhancement. We also noted that the continuation of takeover defence measures risked reinforcing market perceptions of managerial entrenchment, potentially limiting strategic flexibility and investor confidence. These considerations were consistent with the company's relatively subdued ESG assessments, which we referenced as an external indicator of its limited engagement with capital market expectations. Despite repeated exchanges, we did not observe concrete initiatives that addressed these points.

Ahead of the 2025 Annual General Meeting, we informed the company that we were considering voting against the reelection of all directors. This was communicated as an escalation step reflecting the seriousness of the outstanding governance and capital policy concerns. In parallel, we requested direct dialogue with the CEO to better understand management's perspective. The company agreed to hold its first ever such engagement with investors, leading us to provisionally support the director election proposals while reserving our overall assessment of board effectiveness.

Outcome: In the subsequent meeting with the CEO, we observed a clearer acknowledgement of market expectations and a stronger commitment to initiatives aimed at enhancing corporate value. This evolution in stance was positively evaluated by our equity analyst, contributing to an upgrade of the investment recommendation. The company later announced its first ever share buyback programme, representing a more explicit commitment to shareholder returns. This announcement was received positively by the market, and the company's share price showed stable performance thereafter.

Automobile and components maker					
Country:	Japan	**Sector:**	Consumer Discretionary	**Escalation:**	☑
Topic:	Effective Governance	**Attendees:**	CEO; In person/vote	**Asset Class:**	Equity

Objective: Encourage better disclosure on return on invested capital and investment plans

Engagement action: We engaged multiple times with the company and were finally able to discuss directly with the CEO in person at their headquarters in September 2024. We raised our concern that the company was not being sufficiently proactive in realising value and appeared complacent. We urged the company to move away from this attitude given its business and cross-shareholding relationship with its group companies, and that its passivity was critiqued in the third-party committee that investigated its recent emissions scandal. Also, we advised a greater sense of urgency given their relaxed timeline and noted that their lack of clear action to date (compared to others in the group) is hurting confidence amongst investors.

We encouraged greater disclosure at the segment level on return on invested capital (ROIC), growth outlook, and investment plans as these are not clear to investors currently. The lack of adequate resourcing in certain segments given their diversified portfolio is also a concern as it has been known to lead to scandals in the past. In April 2025, reports suggested the company would be delisted as part of the Group's restructuring. In June, the acquisition was formally announced. This achieved our final engagement goal, but the acquisition price was set at the book value, which implied a low business valuation excluding securities holdings and was below the latest stock price. Our requests for clarification were unmet, leading us to vote against the outside directors and to abstain on voting for two representative directors at this year's AGM.

Outcome: Whilst all four resolutions passed, we note that opposition ranged from 7.3% to 15.1% of votes cast.

Printing services company					
Country:	Japan	**Sector:**	Industrials	**Escalation:**	☑
Topic:	Effective Governance	**Attendees:**	CEO/CFO; In person	**Asset Class:**	Equity

Objective: Encourage the company to reform its conglomerate structure and assess its outlook.

Engagement action: We have continuously engaged with the company by highlighting its structural challenge—namely, the absence of a coherent group-wide strategy—and by offering a series of recommendations aimed at enhancing corporate value, including reforms to the business portfolio and improvements in disclosure. Despite these efforts, we were unable to gain sufficient conviction in the company’s commitment to transformation or in the expected impact of its medium-term plan. At that time, we determined that the timeline for meaningful value creation lacked clear visibility and therefore made the decision to exit our investment. Recently, however, we have begun to observe early indications of potential change. These include the company’s willingness to review even its core printing business—long regarded as untouchable—as well as emerging efforts to refresh the management structure ahead of the appointment of a new president. While still preliminary, these developments may signal a potential inflection point for the organisation and suggest that the company is becoming more open to re-evaluating long-standing assumptions.

Outcome: Looking ahead, we intend to continue engaging with the company on key themes such as business portfolio restructuring and revisions to its compensation framework, while carefully monitoring its capacity and readiness for meaningful transformation. Through ongoing dialogue, including with the incoming president, we aim to assess whether the company’s evolving trajectory may present a renewed investment opportunity. We remain committed to supporting positive change where credible strategic intent, governance improvements, and long-term value creation are evident. We will continue to engage with the company to encourage positive changes.

Utility company					
Country:	Japan	**Sector:**	Utilities	**Escalation:**	N/A
Topic:	Effective Governance	**Attendees:**	CFO; In person	**Asset Class:**	Equity

Objective: The company accelerated its overseas business and real estate investments to meet the 200-billion-yen operating profit target set by former CEO in his mid-term plan. However, insufficient investment discipline led to lower capital efficiency and diminished shareholder trust. While the new CEO's focus on capital efficiency—such as divesting non-core assets and shrinking the balance sheet by selecting "optimal owners"—is partially commendable, the company retains a low-capital-efficiency real estate business, and investors still lack trust in management, which previously expanded such investments.

Engagement action: Since 2024, substantial discussions with the new CFO have been ongoing, focusing on incorporating insights from capital market dialogues into the new medium-term management plan. In March 2025, the company disclosed a new financial strategy to facilitate capital market discussions, leading to an August meeting with the management to address related challenges. At the second engagement with CFO, Fidelity proposed in the new mid-term plan that it might be better to change the KPI for managing business portfolio to Return on Invested Capital (ROIC) and Weighted Average Cost of Capital (WACC) instead of Return on Assets (ROA). We also recommended a clear strategy for exiting non-core real estate assets, given their low capital efficiency and limited strategic alignment with the core gas business. This view was supported by examples of best practices from other utility companies that have reduced real-estate exposure to improve portfolio efficiency. We welcomed the company's increase of the Return on Equity (ROE) target to 10%; however, we encouraged disclosure of an adjusted ROE metric to help ensure stable strategy execution amid market volatility.

Outcome: The company plans to announce the revised medium-term plan in 2026, incorporating these discussions. The company has already raised its ROE target from 8% to 10% in its new financial strategy. It also abolished the long-term absolute profit target (¥200 billion) set by the previous CEO, which was requested by FIL during a dialogue in 2024, and was expected to curb growth investments that prioritise profit expansion even when returns on investment are low—a concern for management. This change is aimed at strengthening internal investment discipline.

Other sustainability topics

Multi-national bank					
Country:	China	**Sector:**	Banks	**Escalation:**	N/A
Topic:	Nature Loss, Climate Change	**Attendees:**	IR/Finance; in person	**Asset Class:**	Equity & Fixed Income

Objective: Fidelity was invited back by the Green Finance and Investor Relations team of one of China's largest banks following two successful green finance thematic engagements. We had a face-to-face meeting with the bank, led by Fidelity's fundamental analyst and sustainability analyst. The purpose of this engagement was to discuss the bank's green finance development and gap analysis by looking at both domestic and international players to accelerate and advance its own ESG performance and to enhance its green finance robustness.

Engagement action: We had an interactive discussion where Fidelity shared insights on our ESG integration process, views on sustainable development in the banking sector, and provided the bank with a comprehensive green finance and climate change actions-related peer analysis. Our recommendations and discussion of industry best practices spanned key green finance areas such as climate governance, ESG integration, scenario analysis, and nature. One topic discussed was the importance of actively managing biodiversity risks and opportunities, given the increasing investor scrutiny in this area. We recommended that the bank consider the adoption of the Task Force on Nature-related Financial Disclosures (TNFD) framework, citing some examples of regional bank's biodiversity initiatives and participation in the TNFD forum.

Outcome: The engagement provided an opportunity to learn about the bank's significant improvements in its ESG performance over the years in response to our suggestions. Notably, the bank published its first TCFD report in 2023, providing detailed insights into its active management of climate risks and opportunities. In January 2025, the bank became the first Chinese financial institution to join TNFD to support the growing momentum in the industry and the Chinese market to incorporate nature-related risk management and disclosure frameworks. The bank's responsiveness over the years has been encouraging, and Fidelity expects continued improvement in its sustainability credentials as it further embeds ESG considerations into its core business.

Sports apparel company					
Country:	China	**Sector:**	Consumer Discretionary	**Escalation:**	N/A
Topic:	Social Capital, Climate Change	**Attendees:**	Head of Sustainability/IR; In person/Conference call	**Asset Class:**	Equity

Objective: In our multi-year engagement efforts with a leading sports equipment company in China, we discussed the company's progress on ESG topics, with a key focus initially on board ESG governance that evolved into specific discussions around climate, supply chain management and raw material traceability.

Engagement action: Through several engagements over the years, we have encouraged enhancements in the sustainable supply chain, an area that we identified as having room for improvement. During the discussion, we delved into essential aspects of industry-leading sustainable supply chain practices that the company could implement. These include

- Credible target-setting relating to climate risk management.
- Supplier labour management where we encouraged enhanced disclosures on risk-mapping of different tiers of suppliers, auditing coverage, grievance mechanisms, and remedial actions.
- Raw material traceability initiatives where we highlighted deforestation-risk related to leather sourcing.

Outcome: The company was open to suggestions and proactively made year-on-year improvements.

Climate: obtained near-term 1.5°C SBTi target certification in 2024, which includes management of Scope 3 value chain. In 2025, it disclosed Scope 3 emissions for the first time.

Supplier labour management: marked a major milestone in 2022 by introducing its inaugural supplier sustainability management handbook. Later, it disclosed a supplier list for the first time in 2024, and most recently, disclosed that 77% of suppliers have completed Corrective Action Plans in 2025, addressing our ask of providing confirmation on remediation action.

Raw material traceability: Since joining the Leather Working Group (LWG) and SAC (now known as Cascale) in 2023, 100% leather suppliers for footwear products have obtained LWG Gold certification, and over 99% of leather is confirmed traceable in the latest disclosure.

ESG ratings: After years of engagement where the company consistently demonstrated pro-activeness and long-term thinking, FIL analysts upgraded FIL proprietary rating to A in 2025. MSCI also upgraded its rating twice in 2025 from 'BBB' to 'AA'.

Intertek Group Plc					
Country:	United Kingdom	**Sector:**	Industrials	**Escalation:**	N/A
Topic:	Social Capital	**Attendees:**	Investor Relations; Virtual meeting	**Asset Class:**	Equity

Objective: We engaged with Intertek to learn more about their social audits process and quality controls in place.

Engagement action: We reached out to Intertek following two controversies related to the quality of audits. We were also interested in hearing more about their auditing activities in the context of our thematic engagement on supply chains and modern slavery. An NGO report questioned the quality of its social audits in Thailand as former workers at a client's supplier went to court over alleged unpaid overtime and severance compensation. Moreover, Intertek got its certification accreditation suspended by GOTS (textile processing standard for organic fibres, including environmental, human rights and social criteria) in 2024 due to allegations of malpractices.

Outcome: Whilst there is a court case ongoing, the company reassured us they are taking any bad press seriously given they are positioning their services as more in-depth audits. They have a leading position for the apparel and textile sector and consider having local auditors enables them to better identify labour issuers in factories. Intertek has an internal audit team and makes great use of data to perform checks on auditors' work. Over the past years, Intertek has also been working on reducing employee turnover among auditors which is now on par with peers. The GOTS suspension was lifted a few months later after the organisation investigated the allegations and found no related evidence. We will continue to monitor any developments related to audit quality going forward.

Luxury fashion house					
Country:	Italy	**Sector:**	Consumer Discretionary	**Escalation:**	N/A
Topic:	Social Capital, Nature Loss	**Attendees:**	Group Sustainability Director; Virtual meeting	**Asset Class:**	Equity

Objective:

1. Find, fix and prevent human rights violations in the supply chain.
2. Improve water stewardship in direct operations and the supply chain both in terms of quantity and quality.

Engagement action: The company reached out to investors regarding ESG priorities post listing. We had an initial wide-ranging discussion on the material issues. The company made quick progress setting 27 commitments within their ESG strategy. Below we provide an overview of existing salient discussions and outcomes. We encouraged the company to: a.) disclose more information of the monitoring of labour standards in the supply chain, including the number and associated results of audits; b.) implement and disclose risk assessment methodology and ranking of risk across supply chain; c.) implement improved traceability of supply chain including disclosing location and activities of key suppliers.

Quality: We initially flagged that the company should consider further disclosure and targets regarding Manufacturing Restricted Substance list, noting many peers work with Zero Discharge of Hazardous Chemicals (ZDHC).

Quantity: We encouraged assessment and disclosure of water consumption in both direct operations and the supply chain.

Outcome: Firstly, the company disclosed that they were 'planning to intensify supplier audits' and improve disclosure. In their 2024 reporting, the company then disclosed audit numbers and the associated results of those audits.

Most recently, they increased disclosure on how they prioritise audits from a risk perspective and provided more detail on what proportion of their supply chain their audit programme covers. Finally, they set targets on traceability such as to enable >95% of products with a product traceability system by 2030. The company released a target for ZDHC Foundational Compliance for group production sites by 2023 which they achieved. The company has assessed and disclosed their water footprint both in actual direct operations and with estimates for the supply chain. They're looking to further improve this with their work on traceability. In 2025, they set several water-related targets and continue to build out their water stewardship approach.

Other asset class engagements

Multi asset

Fidelity's multi asset business implements portfolios through Fidelity strategies and via third-party managers[2]. Across our externally-managed active strategies, we adopt a formalised approach to assessing the ESG profile of the strategies in which we invest. This assessment is undertaken during the research and due diligence process as well as on an ongoing basis and applies to in-house Fidelity strategies, third-party funds and alternative instruments.

At an organisational level, we have an enhanced operational due diligence process for third-party sub-advised mandates. Alongside governance-related questions, this incorporates a series of ESG-related questions with the aim of assessing the managers' firm-wide approach to integrating ESG within its investment process, its stewardship and exclusion policy and other areas. We expect these managers to apply their own stewardship policies and provide us with summary information on activity. We perform periodic due diligence of managers to ensure that sub-advised managers' activities are coherent with their stated policies.

We engage with underlying third-party managers within our actively managed multi asset funds to deepen their integration of sustainability research into portfolio construction, buy/sell decisions, and their own stewardship and engagement practices. We typically consider whether managers have formalised a repeatable and consistent process that incorporates ESG research, their patterns of voting and engagement with underlying investments and the breadth of their engagement across a range of issues. We also engage with alternative listed vehicles held by multi asset funds and where strategies finance controversial sectors, seeking to understand how these risks are managed.

In 2025, we undertook a range of engagement activities across our multi asset portfolios, including those outlined in the following case studies, which demonstrates how we support third-party managers to deliver good outcomes for our clients:

UK renewables fund

- **Engagement issue:** Alignment of management incentives
- **Background:** We engaged with the chair and senior independent director of the fund through a meeting in March 2025. This was a continuation of engagement via meetings and email in 2024. During the meeting, we discussed how to better align management incentives with shareholder outcomes.
- **Outcome:** After engaging, the management contract was changed in three important ways: i) partial tie of performance pay to market capitalisation to improve alignment with shareholders; ii) fees are not levied on the holding company debt but only on equity, removing an incentive for management to run high leverage; and iii) a continuation vote, allowing shareholders to vote on removing management. After the new management contract was introduced, the chair indicated that Fidelity's feedback had been important in forming the board's views.

Global infrastructure fund

- **Engagement issue:** Management fees and shareholder returns
- **Background:** We met with the chairman and senior independent director in early 2025. A written report was then submitted to the whole board. We engaged on encouraging a new management fee that would be better aligned to shareholder returns and for the fund to be more proactive in

[2] Multi Asset represents 16% of total AUM across Equity, Fixed Income and Balanced Asset Classes.

returning capital to shareholders, with the aim of closing the company's discount to its net asset value.

- **Outcome:** We saw progress on both fronts. At the end of that quarter, in its full-year results, the fund announced a change to the management fee, partially linking the manager's remuneration to the share price. It also announced it would be increasing divestments from the fund, and the share buyback programme from £60m to £200m. These changes substantially addressed all of the points made in our engagement process.

Real estate

Stewardship in real estate is guided by Fidelity's broader sustainable investing beliefs but adapted to the nature of the asset class. This means that for real estate strategies, Fidelity evaluates factors such as building energy performance, emissions pathways and the social value of buildings. These insights directly inform investment decisions and engagement priorities. Fidelity's real estate team seeks to engage stakeholders throughout the investment process. Below we include an example of the type of engagement the team undertakes to support sustainability performance across client portfolios and enhance long-term value.

Tenant engagement case study on ESG improvements

Background: During the acquisition of a four-property portfolio across Germany, France and the Netherlands, we identified that the vendor was in discussions with an existing tenant in the Netherlands. We asked the vendor to pause these discussions so we could engage directly following the acquisition. Due to delays in the transaction, the tenant's notice period fell within the due diligence process, raising a risk of vacancy.
Engagement details: We suggested engaging with the tenant to understand their needs. During that meeting, we outlined our plans to enhance the asset's ESG performance, including improving the EPC rating to A++, targeting a BREEAM Excellent rating, electrifying the building, and installing heat pumps and a PV system to support net zero carbon operation.

The tenant, a construction and development company, responded positively to our plan and indicated interest in remaining if these improvements were delivered. We agreed with the vendor to extend the existing lease with the tenant for three months to give us time to negotiate a full new lease that would be in place as soon as we became the owner.

We asked the tenant to provide us with their energy consumption data and contracts. We explained that we would map those against our capex programme so as to demonstrate the potential savings we could generate for them on service charges. The programme included: full electrification of heating and air conditioning, smart meters for CO_2, water and electricity, improved air tightness, photovoltaic installation, LED lighting and electric vehicle charging infrastructure.

Outcome: We presented our business plan on site to them alongside our ESG advisor to optimise the programme to the tenant's needs. Within two months of the purchase, the tenant agreed to sign a new long lease with us at a rent substantially above the market rate, reflecting our planned improvements, and continues to benefit from a more efficient building.

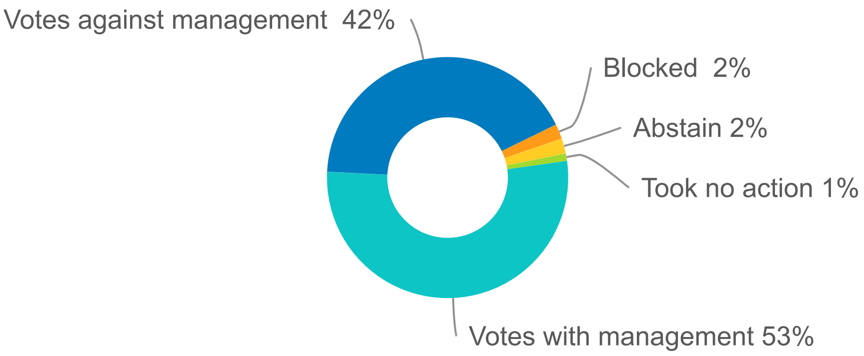
Voting

Fidelity exercises voting rights delegated to us by our clients as a core part of its stewardship responsibilities and approach. Voting decisions are coordinated by the Sustainability team in partnership with investment teams and supported by a dedicated proxy voting function responsible for research support and operational execution. Voting activity is undertaken in accordance with our **Voting Principles and Guidelines**, informed by engagement insights and investment analysis.

Activities in 2025

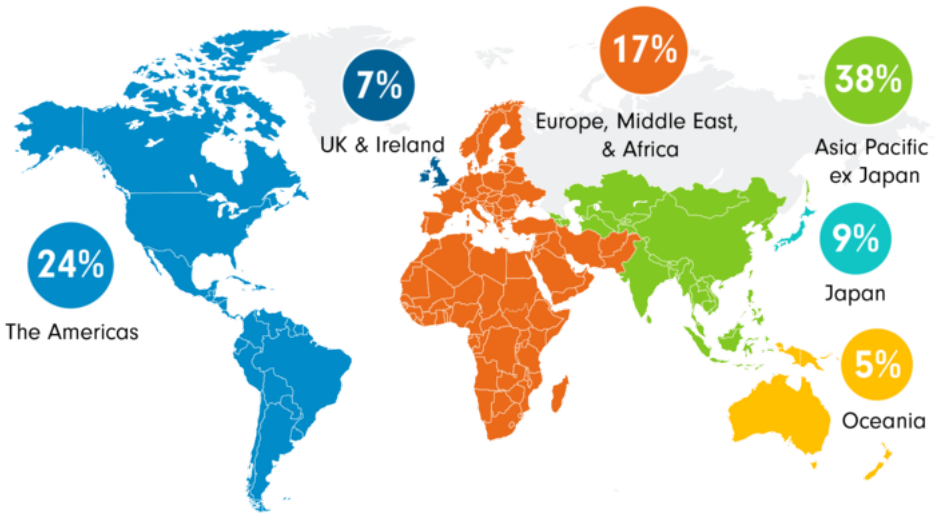
Fidelity voted at 4,221 shareholder meetings in 2025. We did not vote at c. 3.7% of meetings where we were eligible to vote. This generally related to meetings where share blocking was applied to our fund holdings, or to voting events for Fidelity funds, at which we generally do not vote as per our conflicts of interest policy. We also did not vote Russian securities in 2025, in line with our policy since 2022 to wind down Russian holdings. We voted against management on at least one resolution at 42% of the meetings we covered, and we abstained on at least one item at 2%. We generally abstain when there is not enough information to make an informed voting decision, or on occasion to send a cautionary message to the company.

Chart 4: Summary of voting action



Our voting reflects the global nature of our fund products and holdings. 38% of meetings covered by Fidelity were for Asian (excluding Japanese) companies, (24%) were for companies in the Americas, 17% were for those in EMEA, and 9% for Japanese companies.

Chart 5: Meetings voted at by region



Source: Fidelity International, 2026

In 2025, we voted against director elections in 780 cases globally to reflect concerns on board independence. Diversity concerns was the second most common reason for voting against the board's recommendation on director elections. We also voted against or abstained on directors at 44 companies last year based on concerns regarding the company's climate change governance, disclosures, and strategy, and we voted in favour of 32% of environmental shareholder proposals, which was fewer than we supported in 2024 in percentage terms. We analyse shareholder proposals on a case-by-case basis and our decisions are based on the materiality and merits of the individual resolution.

Chart 6: Reasons for voting against directors[3]

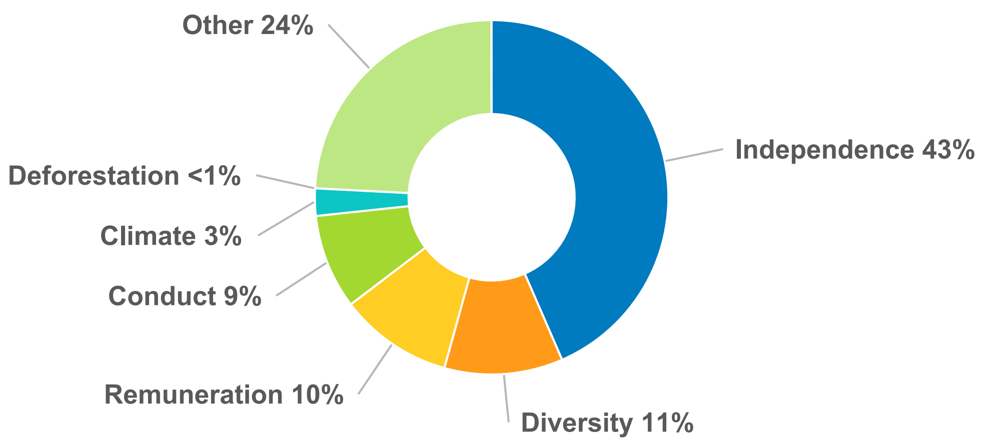
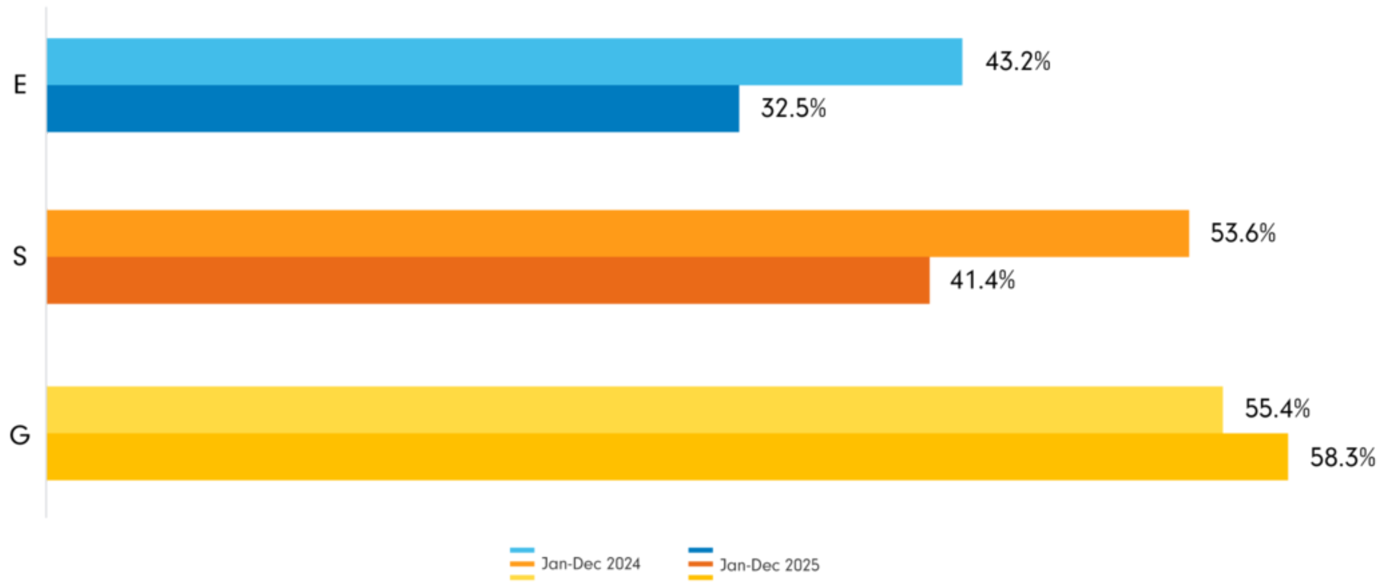


Chart 7: Shareholder proposals supported by theme



Source: Fidelity International, 2026

Below we provide examples of voting-related engagement and outcomes across a range of companies and geographies. Further information can be found in our voting records, which are disclosed publicly on our **website**. The records include published rationales for all votes against the

[3] 1786 meetings with one or more votes against management recommendations (42% of total votes)

board, including withheld votes, and for shareholder resolutions. Our website also includes more in-depth voting bulletins published closer to the voting dates, which provide additional information.

MA Financial

Country of incorporation:	Australia
Meeting type:	AGM
Sector:	Financials
Resolution summary:	The proposal concerned the company's submission of its remuneration report.
Fidelity's vote instruction:	In February 2025, the board invited us to an early executive remuneration consultation process, where they outlined the changes they would make to the FY24 and FY25 remuneration structures. They proposed eight changes to the remuneration structure over the next two years. In particular, they detailed how they would reduce the scope of board discretion, making it more transparent, which addresses our key concern during the previous voting cycle. Following review of the proposed changes, we highlighted our outstanding concerns with the structure. These included the large short-term incentive (STI) skew of the remuneration package, the lack of transparency on the STI metrics, as well as the lower long-term incentive (LTI) EPS CAGR threshold. The board was very open to our feedback and acknowledged our comments about the STI weighting and committed to reviewing the final structure. While MA Financial had made some missteps on remuneration in the past, we felt that the board had taken appropriate steps to rectify these issues and had been responsive to investor feedback. We believed that the proposed changes adequately addressed our concerns and demonstrated that MA Financial was progressing towards greater maturity in its remuneration practices. As a result, we voted in favour of the remuneration package.
Vote outcome:	MA Financial's remuneration package was approved at the AGM, with 98.2% of votes cast in favour.

Energy equipment and solutions provider

Country of incorporation:	China
Meeting type:	AGM
Sector:	Industrials
Resolution summary:	The board sought shareholder approval for the election of four directors.
Fidelity's vote instruction:	Ahead of the Annual General Meeting, Fidelity engaged with the company to highlight concerns regarding independence representation on key committees. Specifically, the nomination committee was chaired by a non-independent director, whilst the remuneration committee was chaired by a director classified as independent, but whom we considered affiliated due to having served on the board for over 12 years. We emphasised the importance of ensuring that the board remains appropriately independent, including being mindful of areas whereby a director's independent judgement could be compromised.
Vote outcome:	The company was receptive to our suggestions. Within a few weeks of the engagement, the company enhanced committee independence by appointing independent chairs for the Nomination and Remuneration Committees, whilst also adjusting committee composition. Following this, the company actively reached out to us to inform and to address any questions, demonstrating their receptiveness towards suggestions and efforts in maintaining open and transparent communication with shareholders.

Housing finance company

Country of incorporation:	India
Meeting type:	AGM
Sector:	Financials
Resolution summary:	The board sought shareholder approval for the election of three directors.
Fidelity's vote instruction:	We wrote to the company, ahead of our vote at their August AGM, to share our voting policy and note that we generally do not support the election of directors where we feel the objectivity of the audit committee could be compromised such as where an executive director serves as a member. We noted that this includes where such compositions are compliant with a local market's regulations which is the case in India under SEBI's regulations. We asked if there were any plans to revise the composition of the audit committee to include only non-executive directors. The company continued to engage with us prior to the AGM and advised that they had taken note of the issues we raised. Acknowledging our concerns, the company committed to place a proposal at the subsequent board meeting for the reconstitution of the committee. We supported all proposals at the meeting and asked them to advise us when the changes had been made.
Vote outcome:	On 10th September, the company wrote to us to confirm that the board of directors at its meeting in early September had reconstituted the Audit Committee, which no longer included the executive director.

Brazilian healthcare operator

Country of incorporation:	Brazil
Meeting type:	EGM
Sector:	Healthcare
Resolution summary:	The board sought shareholder approval to include a mandatory bid provision, under Chapter XII, new Article 49, and to consolidate the bylaws accordingly. The new mandatory bid provision mandates that any shareholder or group of shareholders that reaches a 20% ownership threshold must carry out a tender offer within 45 days, to acquire all remaining company's shares.
Fidelity's vote instruction:	Typically, we would not accept a poison pill arrangement like this, given that it would effectively be permanent, and it would likely put off potential bidders by giving the insider-dominated board substantial influence over the bid terms while providing minority shareholders with limited ability to accept a bid over the board's objection. Furthermore, acceptance of the proposed article amendment would likely entrench the family's position as controlling shareholder.
Vote outcome:	On this occasion, after discussing with the chair and Investor Relations, we decided that we were comfortable overriding the policy on the basis of (i) near-term risk of an opportunistic creeping takeover and (ii) management/founding family having not abused minority shareholders in the past.

Anglo American Plc

Country of incorporation:	United Kingdom
Meeting type:	EGM
Sector:	Materials
Resolution summary:	An EGM was held in December to approve the company's merger with Teck Resources. Alongside items related to the transaction, the board proposed an amendment to the LTIP, introducing a minimum vesting level of 62.5% for 2024 and 2025 awards, contingent on completion of the merger, regardless of performance against underlying metrics (which included TSR, ROCE, ESG).
Fidelity's vote instruction:	While the stated rationale was to incentivise management to deliver the merger and support retention during the HQ move to Canada, we were concerned that, by guaranteeing a payout irrespective of operational or financial performance, the proposal could potentially decouple executive pay from the broader shareholder experience and weaken management incentives. The proposal also followed concerns we had raised at the AGM earlier in the year regarding remuneration practices, namely retrospective changes to ROCE targets for the 2022 LTIP. Given that the merger was not conditional upon approval of remuneration items, we saw limited justification for supporting the proposal and instructed our shares to vote against.
Vote outcome:	Shareholders approved the merger-related resolutions, however the remuneration item was withdrawn by the company ahead of the meeting after shareholder engagement. In our view, the withdrawal of the LTIP amendment highlights the importance of proactive engagement and the effectiveness of shareholder opposition in influencing remuneration practices. We will continue to closely monitor Anglo American's governance, particularly in the context of the merger and HQ relocation and maintain dialogue with the board to ensure remuneration is aligned with pay-for-performance principles going forward.

Direct Line Insurance Group Plc

Country of incorporation:	United Kingdom
Meeting type:	EGM
Sector:	Financials
Resolution summary:	In December 2024, Aviva plc reached an agreement to acquire Direct Line Insurance in an all-cash offer for £2.75 per share, valuing Direct Line Insurance at c. £3.6bn.
Fidelity's vote instruction:	Fidelity engaged with both Aviva and Direct Line after Direct Line rejected Aviva's initial offer of £2.50 per share in late November. We concluded that the final offer represented an appropriate valuation of the company and that supporting the transaction was in the interests of our clients.
Vote outcome:	The resolution was approved by shareholders and the merger closed in July 2025.

Next Plc

Country of incorporation:	United Kingdom
Meeting type:	EGM
Sector:	Consumer Discretionary
Resolution summary:	A group of shareholders, co-ordinated by ShareAction, filed a proposal requesting increased disclosure on the composition of the workforce and an analysis of the impact of paying the real living wage. The proposal argued that increased transparency on wages, particularly in relation to the real living wage, would allow investors to better understand the potential impact of wages on recruitment, retention and productivity and how the company balances operational costs with long-term sustainability.
Fidelity's vote instruction:	Fidelity considers employee management a material ESG consideration for retailers. We identified numerous indicators within the resolution that would be valuable to investors, and the additional disclosures requested did not appear overly onerous. For example, given the potential read across for store performance, we would reasonably encourage retailers to disclose indicators such as employee turnover during ESG engagements. Furthermore, as ShareAction was filing similar proposals at several other retailers, we felt that this was a request of other representative industry peers. Hence, we voted in favour of the proposal.
Vote outcome:	The resolution was voted down at the AGM, though it received the support of c. 27% of votes cast, with abstentions taking the total that opposed the board's advice to c. 29%. With over 20% voting in favour of the resolution, two results followed. Firstly, under the UK Corporate Governance Code, the company was required to provide a formal response, and Next Plc has disclosed its intended timeline for doing so. Secondly, the vote was to be added to the Investment Association's public register.

Wise Plc

Country of incorporation:	United Kingdom
Meeting type:	EGM
Sector:	Financial Services
Resolution summary:	The company called an EGM for July 2025 to seek shareholder approval to move the primary listing for the company's stock from the UK to the US while maintaining a secondary listing in the UK, as well as a change of the company's domicile from England to Jersey and new articles of incorporation. The EGM received a lot of press coverage because (a) it marked another large company opting to list its shares in the US instead of the UK, which played into a negative narrative about London's competitiveness as a listing venue for high growth companies, and (b) the new articles of incorporation extended the sunset on the CEO/co-founder's control of the voting rights by a further 10 years, until 2036. This fact was not explicitly mentioned in the company's original public communications around the change of listing venue and received little public attention until one of the company's co-founders publicly voiced his opposition.
Fidelity's vote instruction:	We were consulted by the company in September 2024 on a previous iteration of the board's proposal and held a follow-up engagement in July 2025 for the purpose of informing our voting decision. We ultimately determined that the change of listing venue was in shareholders' interest on balance because it would provide the company with a path for index inclusion, and elected to vote in favour of the board's proposals.
Vote outcome:	The proposals received the required majority at the EGM. The scheme of arrangement to affect the transfer of the company's main listing venue is expected to become effective in Q2 2026.

Engagement with proxy voting providers

Fidelity votes at shareholder meetings in accordance with our own stewardship and proxy voting policies and guidelines. Our Sustainability team and our dedicated proxy voting team work together to monitor, review, and execute votes. Information that guides the voting process is derived from a variety of sources and includes material provided by the company, internal and external research, and proxy voting advisory services.

We use the services of several proxy advisors including ISS and Glass Lewis. We aim to engage with our proxy advisors if we discover material issues in the information they provide.

For example, in July 2025, we wrote to our main proxy advisor to notify them about a material proposed change to a company's governance arrangements which had been omitted from the advisor's proxy report on that company. The change in question was an extension of the sunset clause for the holders of the company's non-listed shares with enhanced voting rights, which had been included amongst various other changes in new articles of incorporation which were being proposed in conjunction with the company's change of domicile. This change meant that one of the company's co-founders would maintain effective control over the company's voting rights for an extended period. We also asked whether this proposed change had been considered in the advisor's proxy recommendation. Three days later, a newspaper published an article in which one of the company's other co-founders criticised the proposed sunset extension. Two days after the publication of that article, the proxy advisor updated their report to include information on the proposed change to the sunset provision.

Conflicts relating to voting

The Sustainability team is responsible for monitoring and, where appropriate, managing possible conflicts of interest relating to proxy voting in line with Fidelity's relevant policies.

In 2025, we did not identify any new conflicts relating to voting and stewardship, and no instances were identified that required proactive management or escalation in line with our policies.

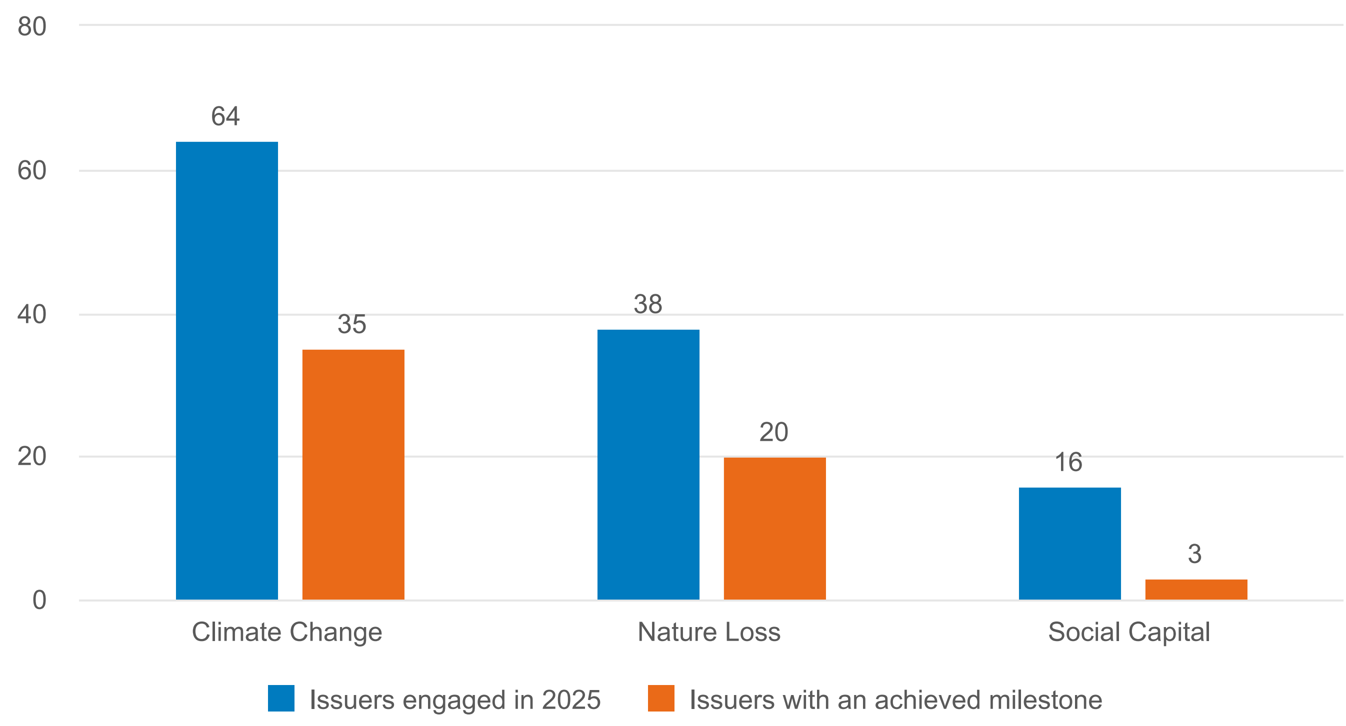
Thematic engagement

Our thematic engagements are top-down engagement programmes with consistent milestones and objectives that align to three systemic themes: climate change, nature loss, and social capital. They include engagement activities with corporates, as well as industry associations and policymakers. Engagements under our effective governance systemic area of focus are typically company specific and relevant case studies and statistics are included in the **Company engagement and voting** section of this report.

Our thematic engagements, led by the Sustainability team, aim to improve the disclosures, policies and practices and, ultimately, performance of companies in terms of managing risks and opportunities. They may be undertaken in collaboration with other stakeholders where appropriate. For each engagement, we record and track any progress against a series of milestones in our internal research system.

Below are explanations of three systemic themes, examples of engagements carried out under relevant sub-themes and updates on milestone progress where appropriate.

Chart 8: Issuer engagement and achieved milestones across themes



Source: Fidelity International, 2026

Climate change

Our climate stewardship approach is a key component of our approach to supporting our emissions targets. We prioritise issuers based on their contribution to our financed emissions and the extent to which we consider our influence may be meaningful, under the following categories:

1. Top contributors to our financed emissions
2. Issuers in the thermal coal value chain
3. High emitting issuers in collaborative engagements
4. Steel Methane Investor Initiative

In 2025, we continued to refine our climate stewardship approach, taking insights from leading global best practices and frameworks. A key priority for the year was embedding our internal monitoring application, which has enabled us to improve the consistency, transparency, and quality of how we track and report progress against our climate thematic engagement objectives and milestones.

As our largest thematic engagement programme, our climate stewardship work encompasses several hundred climate-specific milestones across our global issuer universe. Each issuer typically has three to five climate milestones, tailored to the materiality of the issuer's sector and emissions profile. These milestones are closely aligned with our Climate Ratings criteria, and the majority of them are standardised to help analysts determine the most appropriate and meaningful areas of focus, e.g. improving GHG emissions or physical risk disclosures, setting GHG emissions reduction targets or defining accountability for climate strategies. However, milestones may also be sector or company-specific to account for differing circumstances.

For sectors with significant transition risks, we have also developed sector-specific milestones. These reflect recognised best practices, external guidance, and insights drawn from our own engagements. For example, by addressing methane abatement in the oil and gas sector.

We assess progress using our stage 1–4 milestone framework, and we evaluate the robustness of our stewardship through both engagement rigour and issuer outcomes. Engagement rigour includes the proportion of financed emissions under engagement, the quality and relevance of the milestones set, and the depth of our dialogue as evidenced through engagement records. It also considers whether appropriate escalation is undertaken where progress remains stalled without reasonable justification. Company progress is assessed by a number of factors, including whether milestones have advanced or reached completion. In 2025, we escalated our concerns by voting against 44 director-related items at shareholder meetings due to insufficient progress on climate matters (2024: 66).

Trends in milestone achievements 2025

In 2025, we observed a continuation of the trend seen in previous years, with most milestones remaining at stage 2. This stage reflects instances where we have communicated a clear call to action with companies and are actively encouraging issuers to advance. The prevalence of stage 2 milestones is expected, reflecting the steady expansion of our thematic programme and the addition of new milestones as companies' transition pathways evolve.

In addition, several milestones progressed to stage 4 during the year, demonstrating meaningful change. Most of these related to improvements in practice or policy, including the adoption of net zero targets, strengthened board oversight of climate risks, and the receipt of third-party validation for climate commitments. Additional milestones reached completion through improved disclosure, such as the release of Scope 1 and Scope 2 emissions data. Analysts noted that most of this progress resulted from voluntary issuer action following sustained engagement, while a smaller number required more intensive dialogue with the Sustainability team. During 2025, we engaged 64 issuers through the climate thematic programme. In total, 35 issuers have achieved a combined total of 66 milestones since our programme began recording milestones in 2022.

We were also encouraged by the number of milestones moving to stage 3 during 2025, where companies formally acknowledged our asks and provided evidence for future progress. These milestones were spread across a broad set of sectors and regions, underscoring the global applicability of our expectations and the increasing recognition by companies of the need to make credible progress. On more challenging topics, such as integrating climate metrics into executive remuneration, we observed early signs of movement, with companies beginning to consider changes in response to our engagement.

Escalation within the climate thematic

To enable effective monitoring and timely follow-on actions with high-risk companies with limited progress over a prolonged period, we maintain a Climate Escalation Watchlist. This comprises high emitting issuers that are materially misaligned with a 1.5-degree pathway, or had shown signs of unresponsiveness or regression in their transition planning. We also monitor Climate Action 100+ companies that have not set interim or 2050 net zero targets. Twenty-four companies were included on the watchlist in 2025, and we pursued escalation in three cases through votes against management or letters to company boards. In cases where escalation did not occur, the decision was driven by a combination of factors such as the evolving engagement backdrop, changes in our shareholding, positive developments at the issuer or limited corporate access.

In 2026, we plan to continue to strengthen our systems-level approach to the climate thematic by deepening the integration between our policy engagement and corporate engagement activities. We also intend to further leverage our internal tracking platform to improve the quality and focus of our engagements, while assessing opportunities to enhance resourcing and increase the efficiency of our stewardship activities. The case studies below from our climate thematic engagement programme illustrate how sustained engagement, reinforced by clear escalation pathways, may contribute to measurable progress across our climate milestones. We include examples of both bilateral and collaborative thematic engagements. In 2025, we were lead or co-lead in four CA100+ engagements.

The first case study we showcase is an innovative pilot combination of bottom-up and top-down engagement that combines company level discussions with systems-level inputs from a range of stakeholders including academics and policymakers. It relates to the problem of measuring and managing methane emissions. If successfully addressed, methane emissions reduction could have financially material effects across client portfolios, in addition to reducing the idiosyncratic climate risks faced by the mining companies responsible for the emissions.

Steel Methane Investor Initiative

Background: Sparked by interest from an asset owner, Fidelity International and three other investors launched the innovative Steel Methane Investor Initiative in January 2025 as a pilot systems stewardship programme. The Initiative is led by Fidelity and leverages our global research on metallurgical coal mine methane-related companies and our expertise across different engagement types: systems, corporate and collaborative. Throughout the year, the Initiative conducted over 39 engagements across civil society, policymakers, corporates and other stakeholder types globally.

Climate and financial opportunity of methane mitigation

Methane from metallurgical coal mining is a critical yet often under-recognised financial and climate risk in the steel value chain. Near-term emissions can represent 20–30% of steel's climate footprint. The potential financial implications from mitigating this risk are increasingly shaped by satellite technology advancements and evolving stakeholder expectations, which may lead to greater pricing of methane emissions. Furthermore, regulatory momentum, including the EU Methane Regulation and Australia's Safeguard Mechanism, is raising compliance costs for metallurgical coal producers.

The climate systems-level opportunity is also notable. Methane's shorter atmospheric lifetime and global warming potential means that reductions deliver immediate climate benefits, making this one of the most effective near-term interventions available. Traditional steel decarbonisation pathways (hydrogen DRI, scrap-based EAF) are taking longer and therefore reliance on metallurgical coal will extend. Investors may benefit from a complementary near-term focus on methane abatement to manage portfolio risk and preserve credible climate trajectories.

Building a system-level engagement strategy

To address metallurgical coal mine methane, we needed to develop a new engagement approach. Below were the key steps that we undertook to establish the Initiative:

- Systems-level goal: We first set a systems-level goal to reduce metallurgical coal mine methane to lower near-term warming and transition risk for Australia and the global steel value chain, while maintaining investability in a sector essential to economic development and the energy transition. We focused initially on Australia as it is the largest exporter of metallurgical coal globally.
- Stakeholder mapping: We then undertook stakeholder mapping to identify direct and enabling actors, e.g., miners, steelmakers, policymakers, standard setters, technology providers, financiers, civil society, etc. and concentrated investor effort where our leverage was highest.
- Value chain engagement strategy: As part of our initial engagement scoping, we determined that metallurgical coal mine methane had constructive "engagement leverage" characteristics and we identified three core pillars for engagement:
    1. **Corporates (metallurgical coal miners):** Drive robust measurement, mine-level disclosure, reduction targets, and funded abatement plans.
    2. **Policy & standard setters**: Inform design of measurement and abatement regulations, support credible state and federal abatement strategies, and embed upstream methane into ISSB-aligned sector disclosures.
    3. **Innovators & funders**: Connect companies and governments with technology providers, research organisations, and finance platforms to scale first-of-kind abatement solutions.

Recognising the importance of collaboration within systems stewardship, the Initiative's engagement strategy also involves coordination with UNEP IMEO's Steel Methane Programme, draws on expertise from civil society organisations such as the Environmental Defence Fund and Ember, and works alongside investor associations, including Investor Group on Climate Change (IGCC), Principles for Responsible Investment (PRI), and the International Investor Group on Climate Change (IIGCC). The strategy also includes steps to enhance stakeholder awareness, which we identified as important in supporting positive feedback loops.

Activities in 2025

The first year of actions of the Steel Methane Initiative focused on learning, consensus-building, and targeted engagements to support near-term abatement. Key highlights included:

- **39 systems-level engagements** across miners, policymakers, investor networks, industry experts, etc.;
- **5 metallurgical coal mining companies engaged**, plus **2 introductory discussions** with steel producers (China, Europe);

- **8 policy and standard processes consultations** via submissions and discussions on metallurgical coal-mine methane reforms;
- A **flagship analysis** published (Steel value chain emissions - Overlooked methane risk) and 8 **investor educational webinar**s alongside miners and methane specialists;
- **3 conference panels** to build awareness; and
- Strengthened partnerships with **UNEP IMEO**, alongside outreach through **IGCC, PRI, and IIGCC** to mainstream methane in investor priorities.

Outlook

Signs of traction on this issue are emerging. At the corporate level, progress is mixed, though as Australia's Safeguard Mechanism begins to price methane emissions, miners are launching first-of-a-kind measurement and abatement projects. One large Australian diversified miner has accelerated a methane drilling programme and initiated studies on open-cut methane abatement. On policy, the New South Wales EPA has proposed license changes mandating abatement; the Federal Resources Sector Plan now includes coal methane; and engagement in Queensland via a PRI roadshow is encouraging investment for first-of-a-kind projects. Investor associations are mobilising, with IGCC advancing methane in 2026 policy priorities. While we cannot attribute these developments to our engagements specifically, we believe that the innovative approach we have taken has helped raise awareness and contributed to the broader debate. We will continue to engage on this issue in 2026.

Mining company engaged as part of the Steel Methane Initiative

Country:	Australia	**Sector:**	Materials	**Escalation:**	N/A
Topic:	Climate Change (Steel Methane)	**Attendees:**	Chief Sustainability Officer; Virtual meeting	**Asset Class:**	Equity

Objective: Encourage the company to improve its methane emissions measurement, reporting, and abatement strategies, aligning with industry best practices and regulatory requirements.

Background: As part of launching our pilot system-level engagement on metallurgical coal mine methane, the Steel Methane Investor Initiative, Fidelity International led a collaborative engagement with the company on their exposure to methane emissions. We aimed to improve disclosure and management practices of methane emissions. This engagement followed several in 2024 which took place alongside the CA100+ investor group, and we co-signed a letter with the Church of England to encourage the company to prioritise coal mine methane.

Engagement action: In our first engagement under the Steel Methane Investor Initiative, Fidelity explored the company's current approach to methane abatement within the steel and met coal industries. The company shared insights into their engagement with the UNEP's Steel Methane Programme and broader methane management strategies. While the company demonstrated openness to adopting the programme's framework, they highlighted challenges and areas requiring further industry collaboration. Fidelity identified several concerns, including the lack of rationale behind the delayed timing for a joint venture drilling programme, as well as limited disclosure on mine site methane concentration levels.

Outcome: Since our meeting in June 2025, the company has released their full year results and provided an update on their methane abatement activities. They noted two key developments: 1) Commenced their planned joint venture drilling programme during FY2025 to obtain a deeper understanding of methane quality and quantity (in both magnitude and density). This is earlier than outlined in their Climate Plan 2024 (FY2026/27). 2) They also began studies and engagements to trial and test methane gas extraction techniques for their open-cut metallurgical coal mining operations with potential to reduce the fugitive emissions that occur when methane contained within and near coal seams is released during the mining process. In our view, these are two key developments as the drilling programme brings forward the timing for a key constraint in the company's methane abatement strategy and furthermore highlights an improved focus onto open-cut mines, an area where they are expanding and are likely to generate more methane emissions in the future.

Other climate thematic engagements

Aluminium producer					
Country:	China	**Sector:**	Materials	**Escalation:**	N/A
Topic:	Climate Change	**Attendees:**	Investor Relations; Conference Call	**Asset Class:**	Equity

Objective: To gain a deeper understanding of the company's climate practices and enhance its decarbonisation strategy.

Engagement action: As part of our multi-year climate engagement efforts, we had a meeting with one of the largest global aluminium producers in December 2024. We acknowledged the company's ongoing progress in decarbonising their production, and better emissions accounting throughout its integrated aluminium value chain.

We suggested that the company:

- Establish a long-term carbon reduction roadmap that included clear net-zero targets and interim targets, and enhance carbon accounting for its products
- Clearly communicate the integration of ESG indicators in executive and management compensation structure.

Outcome: The company published its inaugural Carbon Reduction Action Report in May 2025, detailing significant new climate commitments and improved disclosures on its practices. These include: • A formal commitment to peak carbon emission by 2025 and achieve operational net zero (scope 1 and 2) by 2055. • Clear decarbonisation pathways, including an interim target to reduce the carbon intensity of primary aluminium by 40% by 2040 and to increase the share of green electricity to 70% by 2040 (up from 0.45% in 2020). • Enhanced transparency on incentives, with management compensation explicitly linked to ESG performance metrics, including emissions reduction targets.

Beyond directly addressing our previous engagements requests, the company has also significantly improved its overall climate-related disclosures, offering more comprehensive quantitative data and greater granularity.

Technology conglomerate					
Country:	China	**Sector:**	Consumer Discretionary	**Escalation:**	N/A
Topic:	Climate Change	**Attendees:**	Chief Sustainability Officer; Virtual meeting	**Asset Class:**	Equity

Objective: Enhance target-setting and develop emissions reduction strategy for leased data centres.

Background: Over several years of engagement with a leading e-commerce and technology conglomerate, we covered topics including governance, executive pay, digital ethics, and GHG management. Following a two-year group restructuring, the company clarified its strategy in 2025, prioritising e-commerce and Cloud. In response to its growing data centre footprint to support AI, we intensified engagement on GHG management.

Engagement action: The company announced its carbon neutrality ambition in 2021, and through our engagements, we learned that it pursued SBTi certification, submitting its targets in 2023. While its goals extend to 2030 and 2050, we recommended establishing interim targets to track progress, especially as the business expands.

We also deepened our engagement on the management of leased data centres, which represent a significant portion of Scope 3 emissions and are expected to become increasingly material with growing AI-driven data centre usage. We advised the company to develop a clear strategy for decarbonising leased data centres and to provide disclosures on how it plans to remain on track.

Outcome: The company has been receptive to our feedback, though its SBTi commitment was withdrawn in 2025 following disagreements over calculation methodologies. We encouraged the company to revisit this decision and consider re-pursuing SBTi alignment, alongside enhancing transparency through interim target disclosure.

Meanwhile, the company has made meaningful progress in other areas – particularly on leased data centres, a key focus of our engagement. The company began reporting Power Usage Effectiveness (PUE) for leased data centres in 2024 and clean-energy usage (%) in 2025. Its latest ESG report discloses that 90% of leased data centres in China are now subject to PUE management. Since 2024, the company has also been phasing in clean-energy requirements into contracts with new suppliers and during renewals. Beyond this, the company strengthened climate governance in 2025 through its senior-level Sustainability Steering Committee, which issued new policies covering climate risk, carbon emissions, and ESG-related goals and metrics. Operationally, the use of clean energy for self-built data centres has tripled over three years, and average PUE has fallen below 1.2 for the first time.

Dyno Nobel					
Country:	Australia	**Sector:**	Materials	Escalation:	☑
Topic:	Climate Change	**Attendees:**	Board; Letter/Vote	Asset Class:	Equity

Objective: Encourage Dyno Nobel to expand its net zero targets to incorporate scope 3 emissions.

Background: Fidelity International has been engaging with Dyno Nobel as part of our ongoing climate stewardship with high-emitting companies. Given the material emissions profile of explosives value chains, we focused on strengthening the credibility of Dyno Nobel's transition approach, particularly where stated net zero ambition did not extend to value-chain (scope 3) emissions. We viewed scope 3 coverage as increasingly expected by investors and increasingly common among peers, and as essential for decision-useful transition planning.

Engagement action: In February 2023, Dyno Nobel put its 2022 Climate Change Report to a Say on Climate vote at the 2023 AGM. Fidelity escalated and abstained from the resolution due to two critical concerns. Dyno Nobel's climate targets were not aligned with a less than 2°C world; and their net zero ambition did not cover scope 3 emissions and was framed as an ambition rather than a target supported by measurable action.

We communicated that Say on Climate votes held every three years should have higher ambition, and that credible transition planning for this sector requires explicit scope 3 coverage. We reinforced these expectations through continued dialogue and escalation measures, including written correspondence to the board. In 2024, while we did not vote against a resolution, we sent a letter outlining our key asks and peer comparisons; the board responded. Across engagements, we emphasised moving from high-level ambition to measurable scope 3 targets and demonstrating how procurement and commercial choices would drive real-world emissions reductions.

Outcome: As part of their 2025 Annual Results, Dyno Nobel announced two scope 3 GHG targets at the business unit level, marking a significant step forward in value-chain emissions management and integrating scope 3 considerations into purchasing and customer-related decisions. For their Asia Pacific division DNAP, Dyno Nobel announced a 25% reduction in upstream scope 3 per tonne of ammonium nitrate purchased by 2030 (2020 baseline), covering ~75% of DNAP's scope 3 and expected to equate to a ~25% reduction in DNAP's total scope 3. While for their Americas division DNA, Dyno Nobel announced a 40% reduction in downstream scope 3 per tonne of bulk product sold by 2030 (2020 baseline), covering ~25% of DNA's scope 3 and expected to deliver a 40% absolute reduction in downstream scope 3 and a ~17% absolute reduction versus DNA's total scope 3. In 2025 we engaged with the chair, congratulating them on the announced emissions reduction targets and the chair shared with us the process to get the board comfortable with the new commitments and how they are implementing actions across their supply chains to deliver the reductions, though noting the complexity and hurdles to overcome in the coming years.

We believe escalation—including the 2023 abstention and subsequent board letter—was a key catalyst for this progress. Following these announcements, we consider the milestone (incorporating scope 3 into net zero targets) achieved.

Oil and gas major					
Country:	China	**Sector:**	Energy	**Escalation:**	N/A
Topic:	Climate Change (Collaborative)	**Attendees:**	Investor Relations; Conference Call	**Asset Class:**	Equity

Objective: As part of our multi-year collaborative engagement efforts, we engaged with the company to gain deeper insights into its climate progress and challenges, as well as provide constructive recommendations.

Engagement action: As co-lead in a collaborative investor effort, we continued our dialogue with the oil major on its climate ambitions, progress, and mid-term decarbonisation milestones. We also discussed its methane emissions measurement and management, especially regarding how it balances its gas growth with emissions management.

Specifically, we asked the oil major to consider:

- Reaffirming their carbon peaking and neutrality timeline
- Setting a more ambitious methane emissions reduction target
- Introducing a mid-term carbon emissions reduction target to guide progress-checking

Outcome: In the latest Sustainability Report published in 2025, the company demonstrated notable progress:

- Reaffirmed their 2030 carbon peaking and 2050 carbon neutrality ambition, 10 years ahead of the national 2060 timeline. They further added that they will limit the emission increase to no more than 30% compared to 2020 levels
- Introduced a new interim emission reduction target – to reduce by over 25% by 2040. This reinforces its credibility towards achieving the company's dual carbon goals
- Introduced a new target to reduce methane emission intensity by 20% by 2028 (vs. 2023 levels), representing a key milestone.

Furthermore, in June 2025, the oil major also strengthened management expertise in climate change with the appointment of independent directors and senior management with expertise in green and low-carbon related fields to provide professional support and guidance for its climate change initiatives. This is another encouraging sign and an engagement topic for us this year to understand the effectiveness of these appointments.

Grupo Mexico					
Country:	Mexico	**Sector:**	Energy	**Escalation:**	N/A
Topic:	Climate Change (Collaborative)	**Attendees:**	Sustainability Manager/ Investor Relations; Calls/ Written communication	**Asset Class:**	Equity

Objective: As a large emitter both operationally and through the value chain – but a critical enabler of decarbonisation as one of the largest global copper producers – we are engaging with Grupo Mexico to encourage the development and transparent disclosure of a comprehensive decarbonisation strategy and associated targets.

Engagement action: We have held several meetings over the course of the past five years as lead of the Climate Action 100+ investor engagement with Grupo Mexico. Our asks have been incremental, initially focussing on TCFD-aligned reporting and governance, followed by disclosure of a strategy to reduce operational emissions and associated targets. Throughout 2023 and 2024, our focus centred on improving disclosures around existing targets and advocating for a scope 3 reduction strategy and associated targets. Since then, the engagement has focussed on better understanding specific details of the decarbonisation strategy and its execution.

Outcome: The company has responded positively in some areas: Reporting aligned to the TCFD recommendations; CDP (Carbon Disclosure Project) score on climate disclosure being raised from C to B; improved disclosures around corporate lobbying; short and medium-term targets released along with a net zero ambition by 2050 covering scopes 1 & 2 (2023); new short, medium and long-term targets released for scope 3 emissions and associated roadmap (2024)

The Audit committee has requested an internal consultation concerning the adoption of an internal carbon price, due in 2026 (in progress as of December 2025). However, the company has yet to provide clarity on its net zero scope 3 emissions by 2050 strategy and to link executive remuneration to climate goals, demonstrating board-level expertise.

Physical climate risk

In 2025, we saw an increasing focus on the financial impacts of physical climate risks. Several companies we engaged with under the broader climate systemic theme during the year discussed their plans for adapting to more extreme weather events, both today and in the future as the intensity and frequency of events increases.

As well as engaging with data providers on emerging geolocation and hazard-related data sets, we joined a French working group with insurers and banks to understand how to interpret this highly complex area. While many companies remain in the early stages of their understanding of the potential impacts from climate risks and in their business cases for adaptation investment, we believe firms will increasingly focus on ensuring operations and supply chains are resilient. Below we provide an example of engagements with utilities and the physical risk areas discussed.

US/European utilities					
Country:	US/Europe	**Sector:**	Utilities	**Escalation:**	N/A
Topic:	Climate Change	**Attendees:**	Various	**Asset Class:**	Equity and Fixed Income
Objective: Assess the extent to which adaptation spend is already included in near-term capex plans. Understand the costs, benefits and timelines of common adaptation measures. Identify disclosure gaps and practical engagement asks to improve visibility on physical risks and adaptation.					
Engagement action: We engaged with five electric utilities companies with operations in Europe and the United States to better understand the implications of rising physical climate risks on their operations and financial planning.					
Outcome: Companies are increasingly embedding adaptation within core capex plans, particularly in regulated businesses where resilience investments can be added to the rate base. In some cases, a material share of planned capex is explicitly linked to grid hardening and modernisation. However, disclosure is inconsistent: adaptation is often integrated within broader reliability or growth programmes rather than clearly itemised, limiting transparency on scale and timing. Prioritisation of adaptation measures depends on the local context but in the US, undergrounding is capital-intensive but offers long-term reliability gains; hardening provides lower-cost, scalable resilience; vegetation management is cost-effective but short-term. Gaps include limited scenario transparency, incomplete asset-level exposure analysis and absence of dedicated adaptation KPIs. We will continue to engage on this topic in 2026, with a focus on capex reconciliation, scenario methodologies and quantitative resilience metrics.					

Climate system-level case studies

PRI Australian Federal Working Group for the Collaborative Sovereign Engagement on Climate Change

We are co-leads for this investor-led engagement initiative coordinated by the PRI. As of March 2025, the PRI's Collaborative Sovereign Engagement had approximately US$17 trillion in assets under management. The initiative aims to support governments to meet Paris Agreement commitments. Australia was selected by members as the pilot market due to several factors, including a conducive political environment, emissions intensity of the economy, historic performance on climate change and portfolio exposure and risk.

In 2025, we undertook various collective engagements with Australian Federal Government representatives, including the Department of Climate Change, Energy and the Environment and Water and the Australian Climate Change Authority. We engaged in person with policymakers as part of various investor roadshows in both Canberra and Brisbane, Queensland. These engagements focused on encouraging credible NDCs and sector pathways, which may provide greater clarity on how Australia could meet its Paris Agreement commitments and the potential implications for different industries. Engagements also included discussions on sovereign disclosure to support sovereign investors in Australia.

Outcome

In September 2025, the Australian government published a comprehensive Nationally Determined Contribution and detailed sector plans. An independent review conducted by the PRI on the Collaborative Sovereign Engagement on Climate Change Australian pilot found that the engagement has continued to reinforce a positive direction of travel in relation to climate policy and has contributed to a more effective and orderly market transition. While some challenges remain, the review found that the programme continues to inform public policy.

SBTi 2.0 Framework consultation

In 2025, SBTi published a revised version of its framework for consultation. As SBTi may form part of our climate assessment for corporates, we provided feedback on whether the proposed revisions would be appropriate for assessing company net zero targets. We asked for enhanced transparency on the methodology SBTi uses to assess each company and the governance at SBTi. In response to SBTi's proposal to introduce a geographical-based two-tiered application system, we suggested SBTi introduced a tiered application system based on alignment (for example, 1.5°C-aligned or 2°C-aligned) to allow ambitious companies across geographies and market caps to be recognised for increased ambition in emissions reductions.

Transition finance

Investment in the transition of hard-to-abate and heavy emitting sectors has been limited by several factors including concerns over greenwashing risks. Several bodies around the world have sought to produce guidance on what constitutes transition finance to support its deployment. In 2025, we participated in a series of transition finance roundtables, including those hosted by the Securities and Futures Commission (SFC) and the World Business Council for Sustainable Development (WBCSD). These sessions explored ways to address barriers to effective transition financing and to enhance transparency, credibility, and market uptake of transition-aligned instruments.

We also joined Working Group 2 of the UK's Transition Finance Council, which was established by the City of London Corporation. Working Group 2 is comprised of investors and clean-energy stakeholders led by former energy and climate minister Chris Skidmore and is seeking to develop sector transition plans in conjunction with industry and the UK government. In 2025, the working group published a guide to sector transition plans and started work on developing its first sector plan. If the process proves successful in increasing policy certainty and supporting economic transition for hard-to-abate sectors, it may be adopted elsewhere as a means of delivering NDCs and providing transition finance tools for investors.

Nature loss

Stewardship remains a core mechanism through which we seek to address the systemic financial risks associated with nature loss and to deliver against our nature-related commitments as outlined below. Fidelity's top-down thematic strategy is structured around the direct drivers of nature loss as identified by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). Key sub-themes include:

1. Deforestation
2. Water risk
3. Collaborative nature engagements

We find that by focusing on the drivers of nature loss, we can improve the likelihood of positive engagement outcomes. Our thematic engagement approach is complemented by system-level stewardship and voting where necessary. Generally, our thematic engagements seek to prioritise companies based on our holdings and where companies have weak practices with material exposure to nature-related risks.

In 2025, we set the aim to engage with at least 45 companies across our nature-related thematic engagements, focusing on our material holdings and the key drivers of nature loss. Our commitment was subject to company access, holding size and resourcing. In 2025, we had engagement interactions with 38 companies across deforestation, water risk and collaborative nature engagements. We deprioritised a high-single-digit number of prospective thematic engagement candidates owing to significantly reduced holdings. In several instances, our ability to progress engagements was constrained by limited corporate access.

Below we consider interactions undertaken and milestones achieved in 2025 across nature loss as a theme and within individual sub-themes. We track the progress of these milestones using the stage 1–4 framework mentioned above. As expected, the majority of our milestones are at stage 2, where we have given the 'call to action' to companies. Encouragingly, several milestones were achieved during the period and reached stage 4, such that 20 companies have achieved at least one milestone to date (29 milestones in total).

Deforestation

Background and objectives: Our thematic engagement prioritises companies with weak practices that are exposed to material deforestation risk. Fidelity has run a thematic engagement on palm oil since 2019 focused on tropical deforestation. In 2022, we widened the scope of the palm oil thematic to create a deforestation engagement programme covering the key forest-risk commodities: palm oil, soy, beef and leather, and pulp and paper. This was in line with our Financial Sector Deforestation Action (FSDA) commitment, which we discuss below.

2025 update

We had engagement interactions with 27 companies within our deforestation thematic engagement in 2025: 19 of those companies have achieved at least one milestone to date. 57% of the milestones achieved by companies related to improved disclosure and 43% related to improved practices or policies.

Water risk

Background and objectives: We launched our thematic engagement on water risk in 2024 using impact and dependency analysis from our proprietary ESG Ratings and the ENCORE data set. Our engagements focus on key sub-industries with exposure to water risk and aim to build resilience in business operations and global supply chains.

2025 update

In 2025, we conducted initial engagements across several key sub-sectors and will build on these learnings in 2026. For example, within the information technology sector, we have evolved our value chain focus to include issuers with greater influence over water use to support more effective positive engagement outcomes. In 2026, we aim to broaden our engagement universe for the water-risk thematic by deepening coverage along the value chain of water-material industries and by expanding to additional sectors.

Nature-related collaborative engagement

To complement our firm-driven engagement, we also participate in a range of investor initiatives and collaborative engagement programmes, including the global industry-led collaborative engagement initiative, Nature Action 100. We participated in engagements with individual companies according to where we have material holdings and our assessment of company practices. For more information, please refer to the Nature Action 100 website.

2025 update

Within the Nature Action 100 collaborative engagement, utilising our global footprint, we engaged with four companies within the food, chemicals, and metals & mining sectors. Below we include a number of case studies that reflect different sub-themes under the nature loss theme.

Ahold Delhaize

Country:	The Netherlands	**Sector:**	Consumer Staples	**Escalation:**	N/A
Topic:	Nature Loss (Deforestation)	**Attendees:**	Chief Sustainability Officer; In person	**Asset Class:**	Equity

Objective:

1. Deforestation free direct operations and supply chain.
2. Encourage progress towards a circular economy, including accelerated progress towards 2025 plastic targets.
3. Availability and accessibility of healthy foods.

Engagement action: In Q2 25, we were offered the opportunity to meet Ahold Delhaize's Chief Sustainability Officer in person at our London office during London Climate Action Week. We continued our engagement discussions on nutrition, plastic packaging and deforestation/climate topics. We also used this engagement opportunity to discuss corporate culture and labour management in store.

Outcome: Ahold Delhaize has a commitment to be deforestation-free by 2025 across key forest-risk commodities. Last year, the company began to disclose the cut-off date associated with the commitment, in line with best practice and one of our engagement recommendations. We have also encouraged disclosure of revenue exposure to the key forest-risk commodities. Its Forest 500 score has also increased from 36% in 2022 to 46% in 2024 demonstrating progress. In the early stages of our engagement, Ahold Delhaize disclosed virgin plastic reduction targets in line with their Ellen MacArthur commitment which was a positive initial step. We have subsequently encouraged the company to accelerate progress towards their 2025 targets and disclose how they intend to close the gap. As we approached the end of 2025, the company had made good progress on their virgin plastic target, but other targets on recycled content and recyclable packaging remained more challenging, which is true of the wider industry. We encouraged continued future target setting in this area. Finally, given consumer and regulatory trends, we've consistently encouraged more comprehensive nutrition target setting covering the whole assortment rather than just own-brand products.

Suzano

Country:	Brazil	**Sector:**	Materials, Paper and Forest Products	**Escalation:**	N/A
Topic:	Nature Loss; Climate Change	**Attendees:**	Chief Sustainability Officer; In person	**Asset Class:**	Equity and Fixed Income

Objective: Multi-year engagement with Suzano via both bilateral and collaborative engagements as a contributing investor within the Climate Action 100+ (CA100+) engagement initiative. We have engaged the company on climate change and biodiversity with positive outcomes. In 2025, we broadened our engagement topics to include water management.

Engagement action: In early 2021, we engaged Suzano on their climate target setting and why biodiversity was conspicuously absent from their 2020 sustainability-related targets. In 2022, we sought clarity on the various aspects of their deforestation and biodiversity strategy, highlighting where the company can be more ambitious and where the company is already showing best practice.

Looking forward, Suzano is an early adopter of the Taskforce on Nature-related Financial Disclosures (TNFD), and in our most recent engagement we flagged that we are supportive of aligning with the TNFD and the associated harmonisation in reporting, noting the import of assessing and publicly disclosing nature-related dependencies, impacts, risks and opportunities. We also encouraged increased disclosure around the on-the-ground impact of the biodiversity corridors.

Outcome: In late 2021, Suzano committed to its first ever biodiversity target: to reconnect 500,000ha of previously unconnected rainforest by 2030, creating conditions for native animal and plant species to grow and expand their range thus improving the region's biodiversity.

In June 2025, Suzano's near-term greenhouse gas reduction targets for energy and industrial emissions received approval from the Science Based Targets initiative (SBTi) aligned with 1.5°C pathway. Interestingly, Suzano flagged pressure from their customers as the key driver. The company will include its forest, land-use and agricultural (FLAG) emissions in a separate target once a pathway for timber and wood fibre is available.

Restaurant operator

Country:	US/China	**Sector:**	Consumer Discretionary	**Escalation:**	N/A
Topic:	Nature Loss (Deforestation)	**Attendees:**	Chief Sustainability Officer; Virtual meetings	**Asset Class:**	Equity

Objective: Enhance traceability and engage suppliers to ensure deforestation-free supply chain and effective management of Scope 3 emissions.

Background: The company is part of our deforestation thematic engagement due to its reliance on commodities such as palm oil and soy, which are linked to deforestation risks in the supply chain. Since 2022, as lead investor in a collaborative group, we have held regular engagements with the company to promote a deforestation-risk-free supply chain and also broadened our discussions to climate management.

Engagement action: Through several engagements, we have encouraged enhancements in the sustainable supply chain. During the discussion, we delved into essential aspects of industry-leading sustainable supply chain practices that the company could implement.

- Implementation of supply chain engagement to manage deforestation-risk/Scope 3 and disclose related dedicated resource.
- Disclose palm oil mill list: while all the palm oil purchased is RSPO-certified, we encouraged best practice disclosure of a supplier list to enable stakeholders to leverage satellite imaging to increase confidence of no deforestation happening.
- Set an absolute Scope 3 target as a more ambitious target than the current intensity target.

Outcome: The company has been receptive to feedback and is making progress on supply chain management. In 2025, it established a supplier ESG platform, developed a Nature-based Solutions Framework for suppliers to consider as best practice, and initiated beef and soybean traceability assessments. Furthermore, the company shared that it had assessed its commodity supply chains in 2024 and found costs to achieve deforestation-free goals manageable. We recommended disclosing this assessment, including investments and strategies, to help us evaluate whether its approach is robust enough to meet commitments. We also continue to encourage disclosure of a palm oil mill list as best practice.

On Scope 3 management, it completed the Forest Land, and Agriculture (FLAG) GHG inventory in 2024, which will serve as a foundation for setting more ambitious targets. It remains confident in its decarbonisation goals, with short-term SBTi targets already validated in 2022 with plans to seek net-zero validation once SBTi sector methodology is finalised in 2026.

Beverages company

Country:	The Netherlands	**Sector:**	Consumer Staples	**Escalation:**	N/A
Topic:	Nature Loss (Water Risk)	**Attendees:**	Head of Sustainability; Virtual meeting	**Asset Class:**	Equity and Fixed Income

Objective: To champion companies that responsibly steward and protect water resources in business operations and global supply chains, to build a resilient water future.

Background: The company is part of our water risk thematic engagement due to the beverages sub-industry being highly dependent on water usage. In late 2024, a key global customer had dropped its explicit quantitative target on water-use ratio reduction.

Engagement action: Following our previous engagement meeting on plastic packaging in 2021, we reached out to the company to better understand their water stewardship strategy in direct operations and the supply chain. We sought to gain confidence that they remain focused on reducing their manufacturing water ratio. We asked how water risk is assessed in within their supply chain and encouraged TNFD aligned disclosures – given the consistency and comparability of disclosures vs. peers that this enables.

Outcome: 39% of the company's direct water withdrawal and consumption comes from facilities located in high and extremely high-water stress areas but this appears to be well managed within their direct operations by their risk assessment framework and resultant site level target setting. The call reassured us that managing water use remains a priority and there is no change to their comprehensive strategy, despite their key global customer seemingly removing their headline water target to reduce their manufacturing water use ratio. Water risk in the value chain is assessed within their climate-risk assessment. Looking forward, we continue to encourage TNFD aligned disclosures – given the consistency and comparability of disclosures vs. peers.

French/US utilities PFAS engagement					
Country:	US/France	**Sector:**	Utilities (Water)	**Escalation:**	N/A
Topic:	Nature Loss (Water Risk)	**Attendees:**	Various; Virtual meetings	**Asset Class:**	Equity

Objective:

1. Understand the litigation and regulatory landscape of Per- and Polyfluoroalkyl Substances (PFAS)
2. Assess the technological readiness of companies to test for and remove PFAS from drinking water
3. Understand the costs of PFAS treatment for companies and consumers.

Engagement action: We engaged with three companies in the utilities sector to better understand the implications of forthcoming rules that seek to limit PFAS into drinking water, especially in the United States.

Outcome: Companies do not expect the US Environmental Protection Agency (EPA) to repeal forthcoming PFAS rules. Similar regulation may emerge in the rest of the world in the coming years. Water utilities are mainly expanding techniques they have been using in US states with existing PFAS regulation (granular activated carbon, anion exchange) while monitoring emerging technologies. It may be more challenging for community water systems to adapt to the new EPA rules, which in turn may provide some opportunities for large companies and early adopters. Whilst treating US drinking water for PFAS in line with the EPA rules will require some investments, utilities have already factored new installations in their capital plans and do not expect these to have a material impact on consumers' bills.

Orica Ltd					
Country:	Australia	**Sector:**	Materials	**Escalation:**	N/A
Topic:	Nature Loss (Collaborative)	**Attendees:**	Head of Sustainability; Virtual meeting	**Asset Class:**	Equity

Objective: NA100 objectives of Governance, Awareness, Engagement and Targets.

Background: Fidelity International is part of NA100 investor group for Orica Limited and we have met with the company on two occasions since March 2024. The first meeting in 2024 was an introductory meeting where we introduced the collaborative engagement and sought to better understand Orica's progress on nature-related initiatives. In the initial meeting Orica was very hesitant and while they were progressing in a few nature-related areas they felt the level of materiality was not sufficient to merit focus.

Engagement action: We reached out to the company early in 2025 to arrange a NA100 collaborative engagement and ahead of the meeting we reviewed their material and found little progress. At that point, we determined that instead of going into the meeting with the same asks and areas for discussion, it made more sense to outline to the company why we felt it was material for Orica and what trends were taking place. We shared a short presentation demonstrating increasing nature-related litigation risk, increasing investor collaborative engagement on nature-related topics as well as case studies in the mining sector of financial fines and impact of nature-related incidents. Orica was appreciative of the information and shared updates on their progress around water conservation, risk assessment approach, and furthering sustainable product developments.

Outcome: We sensed that the company may have undergone a material shift in its view on nature-related risk, and they confirmed that they would be undertaking a refreshed materiality analysis and would incorporate nature considerations into the process. Furthermore, the company asked for regular catchups with the NA100 team which we took as a positive sign as they had previously been hesitant to take our meetings. Overall, while progress is early days with Orica we are encouraged by the shift in stance and the improved openness to engage with investors on this topic.

Industry association and policy maker engagements

While our corporate engagement has focused on specific themes of deforestation, collaborative nature and water scarcity in 2025, we have sought to engage across broader nature themes where we considered our contribution could be most relevant. This has included engaging with sovereigns and standard setters on policy certainty around how the Global Biodiversity Framework (GBF) will be delivered and associated nature disclosures, and working with Finance for Biodiversity to help deliver a proposed sovereign assessment framework for nature.

Sovereign disclosure assessment framework for nature risks

We contributed to Finance for Biodiversity's (FfB) work on developing the new Sovereign Debt Nature Assessment Model, which provides the first practical framework for integrating nature-related risks and opportunities into sovereign debt analysis. The model (developed by the FfB Sovereign Debt Working Group and aligned with the Kunming-Montreal Global Biodiversity Framework) introduces a structured three-pillar assessment covering the state of natural capital, socio-economic activities, and governance responses. It is intended to support investors, sovereign issuers, policymakers, and development finance institutions in embedding nature considerations directly into sovereign debt evaluation. Our involvement included providing investor-focused insights, including drafting investor use cases, to help shape the analytical structure and support the model's applicability to market practice.

Outcome

The Sovereign Debt Nature Assessment Model has now been formally published by Finance for Biodiversity. A public consultation opened for feedback from the broader market in late 2025 and closed in early 2026.

UK water sector

Following our engagement with the UK government in 2024 on the future of the UK water sector (water scarcity and quality are key nature risks across portfolios) we responded to the Cunliffe Review in early 2025. The review had been launched in the wake of a re-rating of debt for several companies in the sector that were exposed to penalties and public criticism for failing to meet the required operational standards. Led by our fixed income investment team, we used the review process to reiterate what we believed was needed to put the sector back on a surer financial footing and ensure that long-term investment in water purity, sewage management, and climate and water resilience remained feasible.

Outcome

The Cunliffe Review published its findings and recommendations in July 2025. These included integrating disparate regulatory functions into a single regulator, stronger environmental regulation, increased oversight of water company governance, minimum capital requirements and a new National Water Strategy to help manage water demands over the coming 25 years. Several of our recommendations, including an overhaul of the regulatory framework, were presented by the Review, which we believe should address many, if not all, the sector's issues. We therefore closed the engagement.

Our nature-related commitments

In 2021, to support the management of nature-related risks, Fidelity International became a foundation member and signatory of the Finance for Biodiversity Pledge (FfB) and a signatory of the Finance Sector Deforestation Action (FSDA). As both commitments have 2025 target dates, we provide an update on developments in the table below.

While we have made progress against the two commitments, deforestation and nature loss remain complex, systemic risks, requiring significant engagement with a range of stakeholders. Looking ahead, as a signatory, we remain committed to advancing our actions across each of the FfB's five areas for action. We remain committed to working towards addressing deforestation caused by forest-risk agricultural commodities through engagement and stewardship. The FSDA initiative officially 'sunset' at the end of 2025. From January 2026, the Institutional Investors Group on Climate Change (IIGCC) will continue this work through the newly established Deforestation Investor Group (DIG), with which we intend to remain involved.

Nature-related escalation

In 2025, we undertook escalation activities through votes against management at companies in high-risk sectors where they fell short of our minimum deforestation-related standards, reflecting our escalation approach. These cases represented <1% of our votes against Directors.

Examples of progress on our nature-related commitments

<table>
<tr><th></th><th>Financial Sector Deforestation Action</th><th>Finance for Biodiversity Pledge</th></tr>
<tr><td>2022</td><td>Conducted an initial assessment of our potential exposure to deforestation risk across corporate debt/equity holdings, with a focus on ‘forest-risk’ agricultural commodities (palm oil, soy, beef and leather, pulp and paper) using Forest 500 data.

Disclosed our Deforestation Framework detailing how we integrate deforestation-related risks, our forward-looking plans and our investor expectations of companies with material deforestation-related risks.

Expanded our palm oil thematic engagement to create a deforestation engagement programme covering key forest-risk commodities identified by the commitment.

Engaged at the system level on key nature-related issues. For example, became a signatory to the Financial Sector Statement on Biodiversity at COP15.</td><td rowspan="4">Collaborating and sharing knowledge: Examples include Finance Sector Deforestation Action, Nature Action 100, Investor Policy Dialogue on Deforestation, Ecoacoustics project, Satellite Collaborative Engagement.

Engaging with companies: In 2025, we had 120 engagement interactions on nature-related issues. Within our thematic engagement programme, we engaged 38 issuers. Our thematic programme covers Deforestation, Water Risk and Collaborative Nature engagements.

Assessing impact: In 2023, we conducted our initial ENCORE Nature-related impacts and dependencies assessment. We updated our analysis in our 2024 Climate and Nature Report using the updated ENCORE knowledge base.

Setting targets: In January 2024, Fidelity International committed to become Early Adopters of the TNFD framework and publish a report in 2025.

In 2025, we set the aim to engage with at least 45 companies across our nature-related thematic engagements, focusing on our material holdings and the key impact drivers of nature loss, subject to company access, holding size and resourcing (see examples in this document).

Reporting publicly: Published our Nature Roadmap in 2023 and our inaugural Climate and Nature report in 2025, partially aligned to TNFD recommended disclosures.</td></tr>
<tr><td>2023</td><td>Integrated our Deforestation Framework into our Nature Roadmap.</td></tr>
<tr><td>2024</td><td>Began to apply our deforestation-related voting principles and guidelines by voting against members of boards at companies in high-risk sectors that do not adequately meet our deforestation-related expectations.

Joined the Investor Policy Dialogue on Deforestation (IPDD), an investor-led sovereign engagement initiative that aims to halt deforestation in some of the world’s most biodiverse, carbon-absorbing biomes.</td></tr>
<tr><td>2025</td><td>Disclosed progress/milestones on deforestation engagements within the UK Stewardship Code and published our inaugural Climate and Nature Report.</td></tr>
</table>

Social capital

We consider issues relating to social capital, including treatment of employees, labour standards, supply chain resilience, community relations and product responsibility (including technology use), to have the potential to present material financial and systemic risks to issuers, economies and long-term client outcomes. Our approach focuses on two sub-themes that we consider material and relevant across sectors and portfolios: modern slavery and supply chain resilience, and digital ethics.

Modern slavery and supply chains

Our approach to thematic modern slavery engagement is grounded in a comprehensive risk assessment introduced in 2024 that evaluates both issuer exposure and the strength of their risk management strategies. This dual framework combines top-down analysis of sector and geographic exposure with bottom-up assessments of policies, practices, and controversies, enabling us to shape engagement strategies that are proportionate and targeted.

Once issuers are categorised based on their risk profile, we determine appropriate engagement pathways. For high-risk issuers, the Sustainability team conducts deeper assessments to determine whether more intensive engagement is warranted. Engagement priorities are shaped by several considerations, including the risk posed to affected stakeholders, our financial exposure, and the potential to drive meaningful change.

In 2025, we engaged with 16 issuers as part of the social thematic engagement programme (up from 11 in 2024). These engagements are supported by our global stewardship progress tracker, which enables systematic tracking of engagement objectives and milestones through our internal research platform. These engagements included participation in collaborative engagements such as the "Find it, Fix it, Prevent it" initiative led by CCLA in the UK, and the Investors Against Slavery and Trafficking Asia Pacific (IAST APAC) initiative. In 2025, we escalated in a few instances by supporting shareholder proposals at AGMs.

Expectations for issuers

Companies operating in sectors or regions with heightened exposure to forced labour risks are expected to conduct robust assessments that evaluate risks to people, both within their operations and throughout their supply chains. We also expect issuers to implement appropriate governance structures, audit processes, stakeholder engagement and remediation programmes to address modern slavery risks. Our milestone framework draws on established external standards and industry best practices. We have mapped milestones to a standardised model to support analyst judgment and support consistent measurement of progress.

Whilst our social milestones framework is more recent than those of other themes, we successfully closed three engagement milestones during the year following company improvements to grievance mechanisms and remediation approaches. We observe that progress on social topics often requires intensive, sustained engagement, reflecting the complexity and context-specific nature of many social risks and the fact that regulatory requirements and reporting practices are still evolving.

Our thematic work is aligned with broader market developments. In 2025, we joined the Investor Alliance for Human Rights and the PRI Reference Group on Human Rights and Social Issues to continue our capacity building efforts and collaboration with other stakeholders.

During the year, we also continued to be part of a collaborative initiative, the Investor Initiative on Human Rights Data, with other institutional investors seeking to advance the corporate human rights data environment. This involved engaging with two major data providers and a proxy voting advisor to encourage them to expand their offering and coverage of human rights data.

Digital ethics

Digitalisation is reshaping how companies affect people and society, as expanding connectivity and unprecedented volumes of data creation heighten expectations for responsible digital behaviour. Against this backdrop, the accelerating growth in artificial intelligence has become a key focus of our proactive stewardship work. The rapid rise in generative AI tools, exemplified by the public launch of ChatGPT, brought AI governance to the forefront of investor discussions on digital ethics. As corporates increasingly scale up investment in generative AI in search of new commercial opportunities, the need for robust oversight, ethical safeguards, and transparent governance has increased.

Since 2022, we have co-led the investor workstream of the World Benchmarking Alliance's Collective Impact Coalition (CIC) for Ethical AI. The coalition brings together investors and civil society organisations. It works to encourage greater corporate transparency on ethical AI principles and to promote evidence-based disclosure on how these commitments are being implemented across operations.

Our engagement prioritises companies playing a central role in the development or deployment of AI technologies. We expect these issuers to establish and disclose clear ethical principles governing the design, procurement, and use of AI systems, and to demonstrate strong oversight of AI-related risks amid rapidly evolving regulatory frameworks. In 2025, the coalition's leadership and impact were recognised through two industry awards:

- The ICGN Excellence in Stewardship Award in the Organisation, Team or Collaboration category, recognising its global reach and collaborative ambition;
- The PRI Award for Recognition for Action – Human Rights, which recognised the coalition's clarity of purpose, investor coordination, and tangible progress in a complex and fast-moving field.

Below we include engagement examples relating to our social themes in 2025.

Home appliance manufacturer					
Country:	Australia	**Sector:**	Consumer Discretionary	**Escalation:**	N/A
Topic:	Social Capital (Modern Slavery)	**Attendees:**	Investor Relations; Virtual meeting	**Asset Class:**	Equity

Objective: a) Grievance mechanisms: Encourage the company to establish and/or enhance processes for collecting and responding to complaints or violations that ensure confidentiality and align with the UN Guiding Principles (UNGP) effectiveness criteria (i.e. mechanisms that intended users know, trust, and use); and b) Risk identification: Encourage the company to strengthen due diligence through supply chain mapping, clearly identifying higher-risk tiers, geographies, and production stages, particularly as new sites come online.

Background: Fidelity International engaged the company to understand how it is managing modern slavery risks as it executes a manufacturing diversification strategy. Management noted these risks are particularly salient during the transition, as the company expands beyond their existing Chinese partners and establishes production across new factories, legal structures, and jurisdictions. Given the backdrop of change, new supplier onboarding, ramp-up dynamics, and potential production pressures, we focused on whether the company's risk identification and worker protection systems are sufficiently robust during the early stages of diversification.

Engagement action: The company indicated it intends to allow new sites to operate for approximately six months before commencing external audits, while setting minimum expectations at onboarding. Management stated that quality and operational teams have been present on the ground at new facilities, providing a reasonable level of confidence that initial implementation is appropriate. The company also flagged plans to introduce SMETA audits over time, supported by internal assessments.

We discussed how transition periods can be a risk "hot spot" for labour issues, especially where production surges, recruitment practices evolve, or subcontracting increases. The company acknowledged that overtime has been a recurring challenge, driven in part by tariff-related uncertainty and pressure to front-load production and inventory. Management also described efforts to stabilise orders for certain factories that are highly reliant on the company. They have focused on helping to maintain continuity, support supplier relationships, and manage operational volatility. The company reported that five critical issues were identified last year and have since been resolved, which we noted as an important indicator of detection and remediation capability, while reinforcing the value of earlier formal assurance and stronger worker-accessible grievance channels.

Outcome: The company welcomed our suggestions and indicated it intends to consider enhanced disclosure on grievance mechanisms and supply chain risk practices in its FY26 Annual Report, noting that by then it expects to have meaningful operating experience from the diversification initiative to inform reporting. Fidelity will continue to monitor progress and engage, focusing on evidence that grievance mechanisms are accessible and trusted, and on clearer disclosure of supply chain mapping and risk-based due diligence as diversification progresses.

Microsoft Corporation					
Country:	United States	**Sector:**	Information Technology	**Escalation:**	N/A
Topic:	Social Capital (Digital Ethics - Collaborative)	**Attendees:**	ESG Director; Virtual meeting	**Asset Class:**	Equity and Fixed Income

Objective: To encourage Microsoft to improve the practices and policies covering the development of AI products and services.

Background: As part of our involvement in the WBA Collective Impact Coalition for Ethical AI, we have engaged with Microsoft on several occasions to bring about better acknowledgment and mitigation of the risks associated with AI products and services.

Engagement action: We asked Microsoft to explain how it operationalised its ethical AI principles, particularly in high-risk products and markets. We urged the company to improve transparency by annually disclosing metrics, such as the percentage of malicious use cases of generative AI it had prevented, to enable progress tracking. We believe Microsoft could lead the market in establishing this standard of disclosure. Moreover, we asked Microsoft to build on its existing work in assessing the impact of its technologies on people. In 2023, it had commissioned a Human Rights Impact Assessment (HRIA) focused on its cloud and AI technologies. We requested the company expand this to include a broader HRIA assessing the impact of its generative AI models specifically.

Outcome: We had a productive engagement with Microsoft; given the complexity of the focus areas raised, the company agreed to a follow up call with the head of the Responsible AI team to explore what the company can commit to sharing with investors. We learned that Microsoft's approach to sensitive use and emerging technologies functions as a process involving interdisciplinary experts and a case law portfolio to guide decisions, rather than an isolated team. A senior executive oversight group reviews key activities quarterly.

Microsoft confirmed progress on assessing the human rights impacts of its generative AI, with an HRIA completed and its findings under internal review. An executive summary is expected to be published within six months. The company is also introducing controls on customer use of sensitive products, such as monitoring usage statistics for facial recognition tools to flag misuse. Some products are made intentionally difficult to purchase, but customer use remains challenging to fully control, with safety reliant on built-in guardrails that cannot entirely prevent malicious use. We will continue to engage with the company, specifically in relation to its commitment to transparent, investor-friendly metrics to help us judge the success of responsible AI efforts and increased disclosure on its approach to sensitive use products.

Industry association and policymaker engagements

Modern slavery consultations

Our system-level engagements in 2025 have included responding to the UK's Joint Committee on Human Rights' review of Forced Labour in Supply Chains and engagement with the Australian Attorney General's department on its review of its modern slavery requirements. In our engagements, we encouraged proportionate, risk-based due diligence for modern slavery requirements and location-specific, supply chain disclosures to support governance around modern slavery within companies and the assessments of risks by investors.

IAST steering committee

In 2025, we continued to be on the steering committee and co-lead of 'Workstream 2: Company Engagement' for Investors Against Slavery and Trafficking Asia Pacific (IAST APAC). During the year, IAST APAC contributed to global consultations, and continued to work with ISS STOXX to embed core modern slavery metrics into investor tools to promote transparency and accountability. For more information please refer to IAST APAC's **annual report**.

System-level engagements for well-functioning markets

Generating long-term sustainable returns for our clients is supported by well-functioning capital markets. Fidelity therefore seeks to engage with regulators and policymakers to support financial stability and ease of access for our clients. This includes engaging on areas such as reducing systemic risks like climate change and nature loss, as well as on regulation affecting sustainable products and reporting, and where necessary on preserving financial stability.

We seek to address these market-wide risks in several ways, including considering their implications within the macroeconomic assessments carried out by our Global Macro Team alongside other financial data such as inflation, growth and sentiment, and through our engagement with investee companies globally. We also address them through stewardship at system level, and our policy and regulatory engagement is a key component of our overall engagement strategy. Engagement may extend to discussions with standard setters or with peers on a specific theme or sector, e.g. our steel methane pilot engagement, alongside other stakeholders.

External stakeholder engagement on system-wide risks

The Public Policy team drives and coordinates official contact with government departments, policymakers, and regulatory and banking bodies across the jurisdictions in which we operate, with our Sustainability team leading on sustainability-related policy engagements and on providing sector-specific policy research to our investment teams. We engage both via associations and directly with policymakers and regulators. We focus on regulatory developments that affect Fidelity as a financial services provider and on policy relating to system-level risks critical to long-term investment returns, e.g. climate change mitigation.

We respond to policy and regulatory consultations and make suggestions for improvements, which may be identified by our analysts, Public Policy team, Sustainability team or through issuer engagements. Fidelity responded to 21 ESG-related consultations in 2025 issued by governmental and regulatory bodies and standard-setting organisations across multiple countries.

In 2025, we focused our system-wide sustainability-related engagement around three pillars:

- Appropriate and decision-useful corporate disclosures to identify risks and opportunities
- Product regulation that supports our clients' sustainability objectives
- Strengthening corporate governance codes and shareholder oversight

These areas are interlinked and therefore require a holistic approach. They complement the work of the Sustainability team to manage systemic risks through engaging with companies on their risk management approaches and on their public policy engagement directly and indirectly (through industry associations) and the consistency of the positions they take.

Below we outline a range of case studies that demonstrate our approach.

Shareholder protection and robust governance practices

Protection for minority shareholders in Japan

In Japan, governance reforms such as the Tokyo Stock Exchange's emphasis on cost of capital have prompted many companies to reconsider the merits of remaining public, leading to a rise in going-private tender offers. Because these transactions involve significant information asymmetry, mechanisms like the "majority of minority" (MOM) are essential to ensure fair treatment of minority shareholders.

We reviewed 291 going-private tender offer bids (TOBs) conducted since 2021 and identified a critical issue: the definition of "minority shareholders" in Japan remains highly ambiguous. Shareholders with clear conflicts of interest, such as those economically or personally aligned with the buyer, were frequently included in the MOM voting pool. This practice weakens the effectiveness of MOM and may not align with international standards.

Motivated by these concerns, we engaged in dialogue with the Financial Services Agency and the Tokyo Stock Exchange, urging the adoption of clearer, substantively grounded criteria for determining independence and related parties. Fidelity also published an article in a leading financial journal to raise broader market awareness of the risks associated with the current framework.

Outcome: The Tokyo Stock Exchange announced that it would follow up on the status of minority shareholder protection in going-private and MBO transactions, signalling growing regulatory recognition of the need to strengthen fairness in such deals. As going-private activity continues to grow, we will maintain our dialogue with regulators and advocate for clearer definitions, substantive review, and greater transparency to help ensure a fair and trustworthy environment in Japan's capital markets.

Supporting robust Australian governance practices through listing rule changes

Australian materials company James Hardie's proposed acquisition of US outdoor-living products manufacturer AZEK highlighted systemic issues with the Australian Stock Exchange's (ASX) Listing Rules. The deal was large, equity-heavy and, critically, proceeded without a shareholder vote on the associated dilution because of the way the transaction was structured and the application of exceptions under the rules. In our view, this created a material mismatch between the economic impact on owners (dilution and reshaping of the company's risk profile) and those owners' formal rights to approve or reject transactions. Under the Listing Rules exceptions, even well-intentioned boards can make transformational decisions, without a commensurate approval mechanism.

We considered that the rules did not appropriately protect shareholders when a listed bidder uses significant scrip in a takeover or merger, or when listing status changes can meaningfully alter shareholder protections. Alongside other asset owners and asset managers, therefore, we formally signed a letter to the ASX encouraging them to review the relevant Listing Rules and implement the following:

- Require shareholder approval for highly dilutive acquisitions funded with bidder scrip above a defined threshold.
- Tighten the circumstances in which waivers can be granted, with clearer principles, transparency, and disclosure of rationale.
- Strengthen approval requirements around changes in admission status for dual-listed entities, de-listings, and other actions that materially change governance protections.

We also submitted a practical, investor-focused proposal to the ASX public consultation process that aligned with Fidelity's proxy voting guidelines. In addition to the three focus areas of the consultation, our portfolio managers provided feedback that the ASX should review guidance around Director Trading Windows as well as ASX Trading Halt processes.

Outcome: Shareholders responded where they felt their decision rights were bypassed. They delivered a clear outcome at James Hardie's AGM: the chair and multiple directors were voted out, and key governance items (including remuneration-related resolutions) attracted significant opposition. More importantly, the episode coincided with a broader governance response through the ASX Listing Rules engagement. The consultation on shareholder approval for dilutive acquisitions and related listing-status changes seeks a concrete pathway for market-wide improvements that strengthen investor protections, support better board decision-making discipline, and reduce the risk of similar "no vote, big impact" transactions in future.

Strengthening Korean corporate governance standards

In early 2025, against the backdrop of active market discussions on amending the Company Act in Korea, we engaged through the Asia Corporate Governance Association (ACGA) Korea Working Group with members of the National Assembly to provide our global investor perspective and advocate for stronger corporate governance standards. As the reform process moved through multiple rounds of revisions, several key improvements were introduced, including expanding board of directors' fiduciary duties to all shareholders, extending the 3% aggregate voting-rights cap for audit committee member appointments, introducing cumulative voting for large listed companies, and strengthening rules on treasury-share cancellation. Together, these changes represented an important step forward in Korea's broader corporate governance reform effort.

Throughout the year, we continued providing input on the evolving reform discussions. During ACGA's annual conference, we took part in side meetings with a broad set of policymakers, regulators, stock exchange and governance bodies, and industry associations to share investor perspectives and support efforts to further align Korea's governance framework with global best practices.

Corporate governance code review in Singapore

In 2025, our local stewardship team attended a group meeting in Singapore, where industry stakeholders were asked for insights on enhancing the Corporate Governance Code with the aim of strengthening board capacities while maintaining long-term shareholder value. Points raised included considering enhancing board and committee independence levels and the need for effective capital allocation, including adoption and disclosure of clear capital allocation policies.

Separately, we responded to a general market survey seeking feedback around our practices on engagement and voting in Singapore and Asia. We highlighted that we have an Asia-based stewardship team and engage through dialogue with companies, written correspondence and collaborative engagement and voting. We also noted that we use voting rights and direct dialogue with companies to improve ESG practices and disclosures.

Corporate sustainability disclosures

We view sustainability disclosure as a baseline requirement for more informed and effective decisions and as a means of assessing issuer alignment with our Sustainable Investing Framework. We continue to engage with regulators and industry associations around the world to support corporate disclosures, specifically on the adoption of the global ISSB standard and the proposed changes to the Corporate Sustainability Reporting Directive in Europe (CSRD) via the EU's Omnibus process. In due course, we will move towards engaging on implementation of the standards and reporting against them.

We also provide feedback where requested on existing tools such as taxonomies. In 2025, we fed back on options for improving taxonomy adoption and reporting requirements in Europe in response to the European Commission's consultation on the EU Taxonomy Delegated Acts. In Asia, we engaged with the Hong Kong Monetary Authority (HKMA) on the update of the Hong Kong Taxonomy, which was published in the second half of 2025. Our feedback focused on usability, interoperability with international frameworks, and implications for investment products.

Corporate Sustainability Reporting Directive in Europe

In 2025, we continued our engagement on CSRD, through direct dialogue with policymakers and regulators, including multiple in-person meetings in Brussels. Our objective was to contribute investor perspectives to the amendments to CSRD and to encourage final rules that support clear, comparable, and decision-useful information for capital markets. We also responded to several CSRD related consultations, highlighting the importance of a coherent reporting regime that provides sufficient transparency while being implementable for companies across sectors and sizes.

We consistently advocated for disclosures that reflect material sustainability risks and opportunities along the full value chain. We emphasised the need to maintain specific quantitative and qualitative metrics, particularly those that capture site-level impacts and other relevant information, to support robust investment analysis. These disclosures are important for investors to assess both transition readiness and exposure to physical climate and nature risks for European companies domestically and across supply chains.

Building on our work with the Taskforce on Nature-related Financial Disclosures (TNFD) and company engagements on nature loss, we worked to engage with the European Commission, EFRAG (the body responsible for drafting the ESRS) and industry associations on interoperability between the European Sustainability Reporting Standards (ESRS) and TNFD. We also advocated for the continued inclusion of key nature metrics, with a focus on maintaining site specific disclosures across biodiversity and water, within the ESRS and any voluntary SME disclosure standard.

Outcome: The final text amending CSRD was published towards the end of 2025 as well as the proposed new reporting requirements in the ESRS. The text maintains meaningful site-specific reporting requirements and key qualitative disclosures that are consistent with positions we had raised in our engagement with the European Commission and EFRAG.

Sustainability Reporting Standards in the UK

In 2025, the UK Technical Advisory Committee endorsed the adoption of the International Sustainability Standards Board (ISSB) reporting framework within the UK reporting regime, known as the UK Sustainability Reporting Standards (SRS). However, there were some delays to the publication of the consultation document from the UK government amid concerns that the reporting burden on companies operating in the UK was too high.

Outcome: We responded to these concerns around sustainability reporting through consultation on SRS adoption and mandatory transition plans, explaining how using the ISSB standard could support reporting rationalisation for companies operating within the UK and globally. Our responses formed part of further discussions with UK regulators and policymakers on core issues such as scope and capacity building, and we aim to continue engaging on this topic in 2026. The Financial Conduct Authority has published its consultation on the topic in early 2026 to which we have responded.

Mandatory sustainability disclosures in China

In China, following the introduction of mandatory sustainability disclosure guidelines for listed companies by the three stock exchanges - Shanghai Stock Exchange (SSE), Shenzhen Stock Exchange (SZSE), and Beijing Stock Exchange (BSE) - and the subsequent issuance of detailed reporting guidance, we met with the SSE's Corporate Management Division and International Development Division. Our discussions focused on sustainability reporting trends, key challenges, and material topics warranting further guidance, as well as how the SSE can better support foreign investors and promote corporate engagement in the region.

Outcome: The SSE shared its future priorities, including considering a requirement for companies to include an ESG section in their results announcements, which may help to strengthen double materiality and enhance market awareness.

Hong Kong Sustainability Assurance Standards

Fidelity participated in a closed-door roundtable on Sustainability Assurance Standards in Hong Kong, convened by the Accounting and Financial Reporting Council (AFRC). We were also invited by the Hong Kong Investment Funds Association (HKIFA) to represent the views of the asset management industry and contribute practitioner insights on the evolving assurance landscape.

Outcome: Following the discussion, the AFRC released a public consultation on proposed sustainability assurance requirements and is expected to establish mandatory standards for the Hong

Kong market based on the outcome of this process. We will provide input into this consultation in 2026.

Sustainable product regulation

Sustainable Finance Disclosure Requirements (SFDR) Europe

We had several engagements in 2025 with the European Commission on the proposed revisions to SFDR. Our engagements focused on encouraging revisions that reflect consumer preferences and provide clear and meaningful product disclosures and reporting. Some of the feedback we provided to the European Commission was designed to help ensure that broader ESG preferences were captured in an 'ESG' focused category and clients had the ability to choose to invest in a 'Transition' category. We sought to highlight the challenges of relying on the EU Taxonomy alone to demonstrate sustainability given the lack of data availability and to explain how clients use reported sustainability data for product selection, with the aim of streamlining disclosures where possible, e.g. reducing entity-level reporting.

Outcome: The European Commission published the proposed text for SFDR 2.0 at the end of 2025. We were encouraged to see the proposal included specific categories for 'ESG' and 'Transition' products, enhanced flexibility around the application of the EU Taxonomy for sustainable products and streamlined entity level reporting. We will continue to work closely with the European Commission over the coming year as negotiations begin for the final text for SFDR 2.0, encouraging alignment with our clients' investment preferences and making it easier to explain product frameworks to clients.

Australian sustainability labels

In 2025, the Australian Treasury sought market feedback on the introduction of domestic product labels for sustainable funds. We provided detailed feedback, both in response to the consultation and in bilateral engagements with the Australian Treasury. Our focus was on supporting international interoperability with other product categorisation frameworks, for example SFDR, SDR and disclosure requirements in Hong Kong, Taiwan and Singapore. Given our international experience, our engagements with Treasury have involved in-depth discussions on product labels and disclosure requirements globally, including insights on the aspects that are working well to reflect consumer preferences, specific implementation challenges and potential options for international interoperability.

Solutions

Fidelity Sustainable Investing Framework (FSIF):

Fidelity's Sustainable Investing Framework applies our sustainability integration tools and stewardship approach to the design and classification of investment products, supporting clients' financial and sustainability objectives. The framework provides a consistent structure for product development and classification while allowing for adaptation to different asset classes, fund structures and jurisdiction-specific regulatory and labelling requirements. It is designed to support compliance with evolving sustainability regulations across markets.

ESMA Guidelines

In 2025 we enhanced our internal approach to fund naming conventions in response to the **ESMA Guidelines on funds' names using ESG or sustainability-related terms** which came into effect for existing funds on 21 May 2025. The Guidelines set out prescriptive rules applying to funds using ESG and sustainability related naming. Our FSIF put us in a favourable position to comply with the Guidelines: implementation required minor adjustments to our product range and exclusions.

UK Sustainability Disclosure Requirements (SDR)

In 2025, we achieved SDR sustainability labels for six of our UK (OEIC) range, comprising three 'Sustainability Focus' equity funds and three 'Sustainability Mixed Goals' multi-asset funds. We also received approvals for four ESG-promoted (unlabelled) funds, including three active equity strategies and one passive equity strategy. We pursued labelling or an ESG-promoted classification where this best aligned with the fund's existing investment philosophy and approach, helping to maintain expected client outcomes.

Emerging product labelling regulations

We continue to engage with regulators and industry associations on the evolution of product classification and labelling regimes. In 2025, this included the proposed evolution of the EU Sustainable Finance Disclosure Regulation ("SFDR 2.0") where we provided constructive technical feedback on fund categories and underlying criteria. We have also been actively engaging on the development of product labelling in Australia by providing insights into international best practices and lessons learned from implementation of labelling regimes in other jurisdictions.

Product and strategy 2025 highlights

Innovation leveraging core capabilities: Active global equity research ETF

In 2025, our range of investment solutions continued to evolve. Within our ESG Target range, we launched a global equity Paris Aligned Benchmark ETF, complementing our existing range of Paris-Aligned Benchmark fixed income strategies. This SFDR Article 9 fund launch was driven by demand from one of our clients, and combines the strengths of our global equity research, sustainable investing and ETF platform. It is aligned to the EU Paris Aligned Benchmark emissions requirements.

External recognition

Among our existing range, we have a product where engagements linked to company value creation form a key part of the investment approach. Areas of focus for our engagements include:

- Better capital allocation, improved disclosure and strategic decision-making;
- Enhancing clarity and confidence of investment decisions for the portfolio manager; and
- Supporting insights for proxy voting decisions

The product, which invests in the Japanese equity market, received the "Excellent Fund Award" in the Wealth Advisor Award 2025 – NISA Growth Investment Quota WA Excellent Fund Awards. The award recognised the fund's investment performance, with a total return of 39% in 2025, exceeding both the benchmark and the peer group average. It also recognised the contribution of sustained corporate engagement to company outcomes, under Japan's supportive regulatory framework for corporate governance improvements such as TSE's Cost of Capital and Stock Price Initiative. The fund's commitment to proactive and transparent disclosure on the progress of its engagement activities was also a key consideration in the selection process. Among the 1,453 actively managed funds registered under the NISA Growth Investment Quota as of the end of December 2025, only 10 funds were selected, and our fund was the sole recipient from the Japanese equity category.

Corporate Sustainability

It is important for us to hold our own business operations to the high standards we expect from the companies we invest in: sustainable business practices, robust corporate governance, and responsible social and environmental policies that contribute to our continued success and deliver long-term value to our clients and stakeholders.

In this section we highlight key 2025 achievements and activities that drive progress across our Corporate Sustainability focus areas — improving our environment, strengthening our workplace, caring for our communities, and creating resilient supply chains.

Improving our environment

Past progress and environmental targets

In our 2024 Sustainability report, we presented the significant progress which had been made since 2019; the original baseline year for our environmental targets. This included far exceeding our 2024 targets for reducing energy consumption and operational greenhouse gas (GHG) emissions from our operations. To ensure we keep on track towards our Net Zero 2030 goal, we also set interim operational targets for 2024-2027. These included:

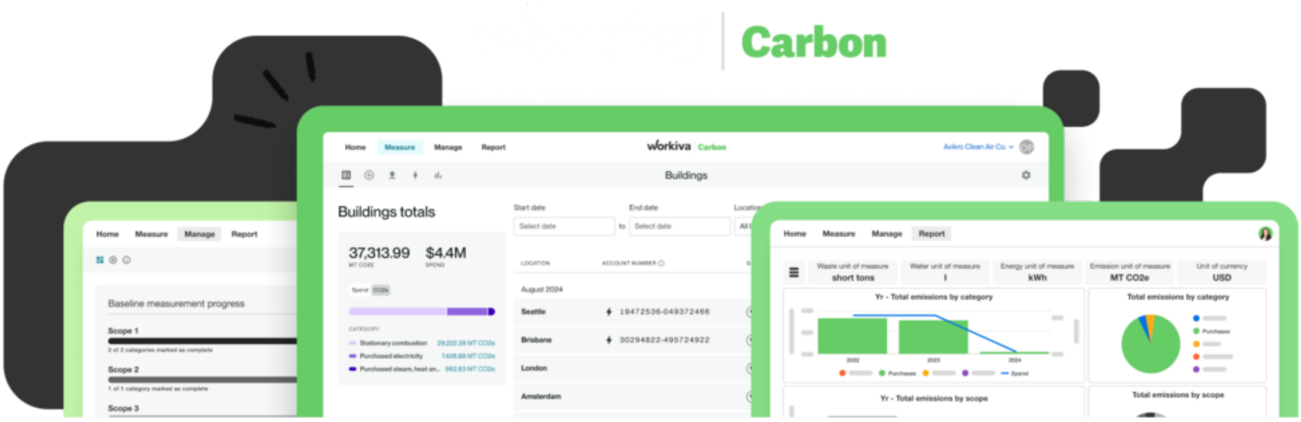
- a further 15% absolute reduction of greenhouse gas (GHG) emissions across our own operations,
- a further 15% absolute reduction in energy consumption,
- reaching 100% renewable electricity consumption in all locations where feasibly possible,
- maintaining business travel GHG emissions intensity per employee at 2024 levels,
- maintaining our ISO14001 certification covering over 90% of employees.

Beyond these targets, we also committed to:

- continue to address our water use, waste production, and paper use as part of our Environmental Management System,
- develop a carbon removal strategy to mitigate unabated emissions by 2030, in line with the firm's operational net zero commitment,
- review options to influence and reduce other material GHG Scope 3 emissions, specifically categories 1, 2 and 7 of the GHG Protocol which cover purchased goods and services, capital goods, and employee commuting/home working, respectively.

Improving our data foundations

In order to spend less time on data and more time on action, we invested significant effort in 2025 on improving our data foundations. We have now adopted the Workiva software platform for aggregating environmental data and calculating our GHG emissions. This provides significant improvements in efficiency and a larger database of international emissions factors (the coefficients used to calculate GHG emissions). This new methodology results in significant changes to our historical baseline emissions for 2019 and 2024, so we are now re-stating these to allow a like-for-like comparison of emissions for 2025 and beyond.



Re-statement of GHG emissions

The GHG Protocol Corporate Accounting and Reporting Standard ('The GHG Protocol'; the pre-eminent global standard for voluntary and regulatory GHG reporting) specifies that re-statement of GHG emissions is required when any of the following cases lead to a significant* impact on reported figures;

- Structural changes (e.g. mergers, acquisitions, divestments, out-sourcing).
- Changes in calculation methodology
- Discovery of errors.

Re-statement of GHG emissions is common and often reflects improvements in calculation accuracy, which can help track progress more effectively. In 2024, Deloitte found that nearly half of the FTSE 100 made restatements on their sustainability metrics with most cases related to GHG emissions and the most common reasons being changes in calculation method, followed by correction of errors.

*Organisations must define their policy for what they consider to be a significant impact on GHG emissions. Fidelity has adopted a common significance threshold of a 5% change in the emissions reported for a single Scope/Category.

The most significant changes to baseline emissions are as a result of the following factors;

- Scope 2 emissions from purchased electricity - as a result of a larger database of grid-average emissions factors for different countries.
- Scope 3 Category 5 (emissions from waste generated in operations) - as a result of differences in the categorisation of waste materials and the corresponding emissions factors.
- Scope 3 Category 6 (emissions from business travel) - as a result of different emissions factors for air travel.

Progress

Our progress in 2025 is shown below for each of our key environmental sustainability targets, alongside the re-calculated figures for 2019 (our original baseline year) and 2024 (the baseline for our revised 2027 targets). As in previous years, our 2025 corporate environmental sustainability data has been subject to independent third party verification. Further details of this verification and a more detailed breakdown of our GHG emissions is provided in our separate Climate & Nature Report.

Indicator	2019	2024	2025	YOY change	2027 goal
Total operational GHG emissions (tCO_{2e})	42,600	13,614	10,603	-22%	11,572 (-15%)
Energy consumption (MWh of electricity and natural gas)	37,802	18,559	19,009	+2%	15,775 (-15%)
Business travel GHG emissions intensity per employee (tCO_{2e}/pp)	3.49	1.21	0.97	-20%	1.21 (<=2024 level)
Renewable electricity consumption in all locations	3%	97%	98%	+1%	100%
Employees covered by ISO14001 certification (Environmental Management System)	0%	85%	87%	+2%	>90%

Our total operational GHG emissions include Scope 1 emissions (direct emissions; largely from natural gas used to heat our offices), Scope 2 emissions (indirect emissions from electricity used in our offices) and Scope 3 emissions related to our operations (i.e. indirect emissions from waste disposal and particularly from business travel; our main remaining source). The overall 22% reduction between 2024 and 2025 primarily relates to reduced emissions from business travel; in particular air travel. This is largely attributable to a fall in average per-passenger air travel emissions, as airline occupancies have re-bounded from the Covid pandemic. With that reduction, we are now well below our 2027 interim target and continue to progress towards our Net Zero 2030 goal. We are also meeting our target to maintain business travel GHG emissions intensity (per employee) at or below 2024 levels.

Energy consumption (electricity and natural gas) in our offices increased slightly in 2025 as our staff increasingly returned to work in the office, driving greater demand from cooling, heating, lighting and IT equipment. We are currently therefore off-track to achieve our target to reduce energy consumption by a further 15% between 2024 and 2027. This will continue to be a challenge, with our offices now at high occupancy rates, however, the activities we are taking to address this are described below.

Finally, we are on track with our target to reach 100% renewable electricity consumption by 2027 as well as to have all employees covered by our offices' Environmental Management System.

Activities and future plans

Environmental management certification - To uphold our commitment to responsible environmental stewardship across all operations, we continue to maintain certification of our environmental management system in accordance with ISO 14001. Throughout 2025, we achieved zero non-conformances across all environmental and sustainability audits. Looking ahead, we plan to expand our ISO 14001 certification to cover our Bangalore office in India in 2026.

Operational sustainability programme - In 2025, we formalised our internal operational sustainability programme, to identify and implement opportunities to contribute towards our environmental sustainability targets. We launched workstreams to cover different areas of our operations and our leaders hold regular meetings to share progress and plans for next steps.

- Real Estate - We are investigating the feasibility of further renewable electricity generation to meet the demand of our UK offices. We also completed an initial review of our office leases against industry best practice, in terms of sustainability-related provisions. We will continue this work during 2026 to support improved performance, recognising that approximately one third of our global energy use is from leased offices.
- Energy efficiency - We completed audits of our Building Management System (BMS) for key UK offices, to identify and implement opportunities for optimisation. This work will continue for other locations in 2026.
- Office design & fit-out - We secured LEED Platinum sustainability certification for the fit-out of our new office in Bangalore and we are working towards equivalent standards for our office moves in 2026.
- Operational & behavioural change - We established regional sub-groups who are tracking and driving implementation of locally-identified opportunities for improvement in energy efficiency, waste and water management across our global offices.
- Travel - We selected a travel management platform for the coming years and in making this choice, we considered how the different providers could help drive progress on our sustainability targets. We have also developed dashboards which allow our business managers to monitor environmental KPIs, alongside cost, when reviewing business travel data.
- Supply chain - We have begun exploring supply chain engagement and decarbonisation for our corporate Facility Management supply chain.

Achieving Net Zero - While we have made significant progress towards our 2030 target for Net Zero operations, like most organisations, we anticipate that there will be some residual emissions from 2030, particularly relating to business travel. We continue to make efforts to reduce our emissions and to assess the level of residual emissions beyond 2030. In 2026, we will be developing our strategy to mitigate these residual emissions.

Strengthening our workplace

Fidelity is committed to cultivating a purposeful and inclusive high-performance culture, where our people are empowered to deliver the best possible outcomes for our clients.

Progress

Employee Engagement - In 2025, we saw positive momentum in employee engagement, which has rebounded after a 2024 dip linked to organisational change. Over eighty percent of colleagues globally would recommend Fidelity as a place to work, with colleagues reporting positive improvements on client-centricity, growth and development opportunities, collaboration, empowerment, work-life balance, inclusion and wellbeing support.

Diversity, Equity and Inclusion (DEI) - There was mixed progress on our commitment to maintaining a culture where diversity, equity and inclusion is championed, promoted and felt across the organisation. Over the past year, we significantly increased the coverage and quality of our workforce diversity data, beyond gender diversity. We now have a better insight into the make-up of our workforce in relation to ethnicity, socio-economic background, LGBTQ+ identities and disabilities and health conditions, enabling us to take a data-driven approach to DEI interventions.

While we have made strong progress over time on improving gender balance, female representation declined slightly in 2025 due to shifts in hiring and attrition trends. We have reviewed our gender balance targets to ensure they remain ambitious yet achievable, keeping us focused on sustained progress over the long term. We retained strong gender balance on our boards and continued to take action to understand and address gender and ethnicity pay gaps globally.

We note that employee perceptions of inclusion continued to improve - with notable increases for under-represented groups, including Black, Disabled and LGBTQ+ colleagues - and our DEI efforts were recognised with industry-leading awards, including being named as one of The Times Top 50 Employers for Gender Equality in 2025.

Learning & Development - We continued to provide inclusive and forward-thinking talent solutions that support our people to grow and develop in their careers, and build the capabilities needed for future success. We introduced Fidelity's Enterprise Skills, a set of transferable abilities and competencies that all colleagues need to actively contribute to Fidelity's strategy. And we are investing in AI literacy, confidence and enablement to support all our people to embrace emerging digital technologies and innovative practices in their work.

Health, Safety & Wellbeing - To assure the physical and psychological safety and wellbeing of our employees across office locations, we continue to maintain certifications of our management systems for occupational health and safety (ISO 45001) as well as psychological health (ISO 45003). In 2025, our organisation achieved a flawless record with zero non-conformances across all health, safety, and sustainability audits.

Activities

In recent years, we have focused on improving the quality of insights through the Feel Heard employee engagement programme, empowering colleagues to build new skills and grow in their careers, and providing an open, inclusive culture where all our people feel valued, safe to speak up, and able to perform and reach their potential.

In 2025, we launched new initiatives including:

- A goal for all people managers to cultivate a high-performance culture
- Launching new surveys to measure employee engagement at key moments including onboarding, career mobility and exit
- Curious Conversations to strengthen inclusive leadership
- A development and appreciation programme for DEI Network Chairs, including formal training and a roundtable with Fidelity's President
- An India-based female mid-career talent development programme

These initiatives are in addition to our established Employee Engagement, DEI and Learning and Development interventions, including: requiring all business areas to develop annual employee engagement plans; providing comprehensive resources for learning, growth and future-focused skills development; enabling employee-led DEI Networks to promote an inclusive culture and offer peer support to under-represented groups; sharing powerful employee stories to promote inclusive behaviours; conducting an annual gender and ethnicity pay gap review; offering support for mental, physical and financial wellbeing, including the Employee Assistance Programme, workplace adjustments programme and global Mental Health First Aiders; and a range of DEI talent development and mentoring programmes.

As part of our recent re-accreditation as a Disability Leader by Disability Confident, a UK government scheme recognising companies committed to employing people with disabilities and health conditions, we are committed to disclose the percentage of employees who consider themselves as having a disability (now added to the data table below). As of December 2025, 55% of our total employees responded to the question regarding disabilities and health conditions in our 'Count Me In' (workforce diversity data) survey.

Looking ahead

Our colleagues are the foundation of the business, and we remain focused on developing motivated, winning teams that delight our clients and build our business prosperity.

In 2026, we will prioritise activities to:

- Create a high-performance culture aligned to our vision and priorities
- Build leadership capability and behaviours
- Support colleagues to grow their skills and develop in their careers
- Ensure the firm remains competitive for hiring and retaining top talent globally
- Achieve sustained progress on our DEI goals

Indicator	2024	2025	YOY change	2027 goal
Female representation on board (FIL Limited)	56%	57%	+1%	50% (+-5%)
Female representation in senior roles (director and above)	35.1%	34.7%	-0.4%	35%
Female representation in global workforce	45.1%	44.6%	-0.5%	50% (+-5%)
Employees covered by ISO45001 (Health & Safety) & 45003 (Psychological Health)	85%	87%	+2%	>90%
Employees with disabilities and health conditions (self-declared)	4.2%	5.5%	+1.3%	-

Caring for our communities

Progress

In 2025, we continued to encourage all our employees to be active members of the communities where we live and work and to support social and environmental initiatives.

We introduced strategic themes focused on **Financial Inclusion, Health & Wellbeing, and Caring for the Planet** to provide clearer direction and strengthen the impact of our community and charitable activity. Alongside this, we refreshed our success measures to place greater emphasis on driving engagement across all levels and regions, while ensuring full and effective utilisation of the available budget. As a result, employee participation increased, with volunteering hours rising by almost 1,000 hours to a total of 11,188 hours, and we reached the milestone of US$1m in charitable donations since 2023.

Activities

Throughout the Fidelity Cares programme, we encourage global employees to support local communities through:

- 21 CSR Committees based across our operating locations that drive local activities and support partner charities,
- offering 2 paid Volunteering Days per year to each employee,
- dollars for doers, rewarding employees for volunteering by donating to their chosen charitable causes,
- supporting employees to create their own fundraising events and matching their fundraising activities to double the impact,
- enabling employees to set up donations through payroll,
- making it easier for employees to identify volunteering and charitable giving opportunities on the Fidelity Cares platform.

Looking ahead

To enhance the effectiveness of the Fidelity Cares Programme, we will focus on four strategic pillars in the coming years:

Governance - Refresh guidelines for our people to provide clearer direction, consistency, and accountability across the Fidelity Cares Programme.

Early talent engagement - Encourage participation in community initiatives and embed a culture of giving early in colleagues' careers, while developing skills.

Visibility and awareness - Implement communications to increase awareness of Fidelity Cares and demonstrate our commitment to communities.

Leadership advocacy - Increase senior leader involvement and storytelling to champion giving, reinforce rolemodel behaviours, and bring the impact of Fidelity Cares to life.

Creating resilient supply chains

Our Responsible Supply Chain Programme supports our sustainability and diversity ambitions through three pillars:

- Monitoring focuses on tracking environmental practices, labour and human rights, ethics, and responsible procurement.
- Equal Opportunity promotes diversity across our supply chain by providing equal opportunities for social enterprises and diverse-owned suppliers (including women, veteran, ethnic minority, LGBT+ and disabled-owned enterprises) to compete for Fidelity's business, both directly and through key suppliers.
- Fairness focuses on prompt payment and streamlined processes to support suppliers.

Activities and Progress

In 2025, we continued to progress towards our corporate sustainability goals.[4]

Monitoring - ESG coverage increased to 77% of expenditure, with 62% of critical suppliers assessed through EcoVadis. The average supply chain score reached 63/100, a 4% increase from 2024. ESG risk monitoring and supplier diversity considerations are now embedded in Sourcing Category Plans and incorporated into our Third Party Risk Management (TPRM) framework. ESG performance is also

[4] For the purpose of our corporate sustainability goals relating to our operational supply chain, we do not include non-supplier third parties such as counterparties in our investment management business, fund providers, employee expenses, Purchasing Card (P-Card) purchases, distribution partners, external speakers, independent contractors, inter-company transactions, fund providers, charities, property purchases, artwork, tax authorities, governmental bodies, regulators.

reviewed quarterly with suppliers, with corrective action plans implemented where needed to support improved risk management. To strengthen consistency, we developed an ESG Monitoring Guide for Supplier Relationship Managers to embed ESG performance into business-as-usual supplier oversight.

Equal opportunities - We increased Tier 1 certified diverse spend from 0.5% to 0.8% of addressable spend. We also introduced system changes to improve the capture of supplier diversity data at both Tier 1 and Tier 2 levels and began building out our Tier 2 programme. A Supplier Diversity Playbook was created to support sourcing teams in embedding diversity considerations into procurement processes, complemented by enhancements to our internal Sustainability Dashboard to better track KPIs. We also continued to collaborate with UK-based advocacy groups including OutBritain, WEConnect, Veteran-owned UK, Minority Supplier Development UK (MSDUK) and Social Enterprise UK.

Fairness - We launched our Procurement Customer Journey Programme, introducing workstreams focused on simplifying and improving the experience for both internal stakeholders and suppliers. We ensured suppliers acknowledge and commit to the expectations outlined in our Supplier Code of Conduct, which sets out our standards, values, and principles.

Looking ahead

In 2026, we will continue to focus on ESG risk management on areas of highest spend, supply chain dependency and material business risk. This includes delivering carbon literacy training to sourcing and supplier relationship teams and identifying suppliers and categories representing the majority of supply chain emissions. We will also work with strategic suppliers to expand the inclusion of diverse-owned businesses, and continue improving payment practices and onboarding processes for low-value, low-risk suppliers. In addition, we will review the Due Diligence Questionnaire to improve clarity and reduce completion time for suppliers.

Indicator	2024	2025	YOY change	2027 goal
ESG monitoring of high-risk suppliers	55%	62%	+7%	90%
ESG monitoring of our annual spend on suppliers	75%	77%	+2%	80%
Suppliers with unsatisfactory score put on improvement plans	100%	100%	-	100%
Increase percentage of addressable spend with diverse-owned suppliers to 3%	0.5%	0.8%	+0.3%	3%

Important Information