



FMR Investment Management (UK) Limited

Task Force on Climate-related Financial Disclosures

**Entity Report
Year-End 2024**

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Introduction

We remain committed to delivering a broad range of options to our clients across asset classes, investment styles, and strategies. This commitment remains steadfast as the investing backdrop continues to evolve and is anchored by in-depth research into the factors that we believe are most likely to impact the financial performance of our holdings. Our research incorporates the evolving operating and regulatory landscape, as well as risks and opportunities that are emerging from this dynamic environment. We continue to see stewardship as a critical tool for addressing material risks and opportunities to help generate long-term value for our clients. This report explains how FMR Investment Management (UK) Limited (FMR UK) specifically addresses climate-related risks and opportunities in our investment portfolios.

FMR UK is an investment firm¹ regulated by the Financial Conduct Authority (FCA). FMR UK is a subsidiary of Fidelity Management & Research Company LLC (FMR), which itself is a wholly owned subsidiary of FMR LLC. FMR UK's principal business activity is to provide investment advisory and portfolio management services.

As part of its investment advisory and portfolio management services, FMR UK provides research and portfolio management services and serves as an adviser to clients (and/or as sub-adviser to clients of other affiliated and unaffiliated advisers) with respect to equity, high-income, money market and fixed income funds, exchange-traded funds, and institutional accounts — or portions of funds and institutional accounts.

This Task Force on Climate-related Financial Disclosures (TCFD)-aligned entity report for the calendar year 2024 discloses how the firm considers and manages climate-related risks and opportunities relative to its principal business activity of providing investment advisory and portfolio management services to funds and institutional accounts. This report is intended to fulfil regulatory requirements set out in the FCA Handbook (ESG 2.2) and is organised around the four TCFD² pillars listed to the right, namely, governance, strategy, risk management, and metrics and targets. In preparing this report, we have also considered relevant supplementary TCFD guidance published for asset managers.

FMR UK's portfolio management teams have access to sustainable investment research that is focused on the impact that sustainability factors, including climate-related factors, may have on the financial performance of a particular issuer so that we are better positioned to capitalise on the investment opportunities that exist whilst mitigating risks. The following sections, covering the pillars of the TCFD guidance framework, set the infrastructure in place to enable FMR UK to consider climate-related risks and opportunities as an essential component of its research process.

The four pillars of the TCFD reporting framework:

Governance

The organisation's governance around climate-related risks and opportunities

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning

Risk Management

The process used by the organisation to identify, assess, and manage climate-related risks

Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

¹ As defined by the Markets in Financial Instruments Directive 2014/65/EU and related legislation (MiFID II) as subsequently incorporated into the FCA Handbook.

² Task Force on Climate-related Financial Disclosures Recommendations <https://www.fsb-tcfid.org/recommendations/>

Governance

FMR UK's ultimate parent, FMR LLC, is responsible for setting the enterprise-wide sustainability strategy, including climate-related values and principles. FMR UK has established a Board of Directors (Board) to oversee its operations and activities. In this capacity, the Board approves the oversight and implementation of material climate-related matters relevant to its activities. The Board delegates certain day-to-day oversight matters to the FMR UK Management Committee, whose responsibilities are governed by the Management Committee Terms of Reference. The Board also designates a Director (Sustainable Investing Designee) as principally responsible for the reporting of climate and sustainability-related risks and opportunities impacting FMR UK's core business activity of portfolio management. As the Board designee and an FMR UK Senior Manager, the Sustainable Investing Designee is largely responsible for reporting climate-related investment topics to the broader Board for awareness when deemed relevant and material. The Sustainable Investing Designee is well-positioned to keep the Board informed of climate-related risks and opportunities based on the Designee's senior management role, as Head of UK Business Management and Strategy, and regular participation in sustainability-related meetings with sustainability partners in FMR LLC, including the CIO & Co-Head of Global Equity Research, Head of Investment Stewardship and Co-Heads of Sustainable Research.

The Sustainable Investing Designee seeks to stay informed of the latest information on climate-related matters to ensure that the Board and management stay current on evolving climate risks and opportunities pertinent to FMR UK's investment advisory and portfolio management services.

FMR UK continually seeks to improve oversight and management of climate-related risks and opportunities in its investment portfolios. As part of this effort, the portfolio management team has integrated periodic sustainability-related reporting, including climate risk metrics, into its ongoing portfolio management oversight function. Work is underway to include climate-related scenario analyses in the future.

Additionally, the FMR UK Board receives regular climate-related updates from the Head of Investment Stewardship/Co-Head of Sustainable Research and the Sustainable Investing Designee.

Strategy

FMR UK portfolio management teams have access to both proprietary and third-party research to assist them in assessing a broad spectrum of investment-related risks and opportunities. This research includes coverage of sustainability-related factors³ deemed material to the long-term value of securities held in portfolios.

The FMR UK research team works with sustainability partners in FMR to conduct a financial materiality analysis using proprietary and third-party inputs and creates a set of materiality maps. These materiality maps, which cover sustainability-related factors that are financially material by industry and geography, are refreshed periodically to reflect the research team's latest thinking as risks and opportunities evolve through time.

The materiality maps serve as the basis for the quantitative and fundamental sustainable investment research that is available to FMR UK portfolio managers. Sustainable investment research may include coverage of climate and other sustainability-related factors, including water resource management; vulnerability to the physical impacts of climate variability and change; and products, services, and energy resources that reduce carbon and other greenhouse gas (GHG) emissions and/or provide opportunities for issuers to align with a transitioning economy. The portfolio managers utilise such research, when deemed material and relevant to their mandates, to manage FMR UK portfolio exposure to sustainability-related risks and opportunities.

As stewards of clients' capital, FMR UK examines issuers' uses of the capital at their disposal — including natural capital — and engages with issuers to discuss matters that we believe could affect long-term performance. Our engagement framework enables us to assess how well an issuer proactively addresses the sustainability issues most critical to its operations.

FMR UK believes issuers that deploy natural resources efficiently and consider the effects of the environment on their assets may be better positioned to deliver value now and in the future. FMR UK encourages issuers to articulate a long-term strategy for risk management and capital deployment to innovate and succeed in a transitioning economy. This includes plans for addressing systemic risks and material climate-related risks over the near-, medium- and long-term.

In FMR UK's view, issuers that carefully consider the best uses of scarce environmental resources and have robust frameworks for monitoring the extraction and deployment of limited resources are positioned to have a sustained competitive advantage over time.

³ "Sustainability-related factors" here and throughout the remainder of the report include climate-related factors.

Strategy (continued)

Through its stewardship approach, FMR UK also encourages issuers to implement risk controls and production processes that avoid excess emissions of pollution and toxic waste, thereby minimising, among other things, regulatory and reputational risk. FMR UK expects issuers to have effective governance structures around enterprise risk management and believes that extends to the oversight of the issuer's impact on the natural environment. More details related to the principles that guide FMR UK's approach to stewardship, including proxy voting, may be found on the [Fidelity Proxy Voting Website](#).

In addition to engagement with portfolio companies, FMR UK, through FMR LLC, supports balanced public policies and regulatory frameworks that promote transparency on financially material factors in the capital markets and investor protections. FMR LLC is a member of the IFRS – ISSB Investor Advisory Group.⁴ and seeks to promote stewardship and long-term value creation through its memberships with Focusing Capital on the Long Term (FCLTGlobal)⁵, the Principles for Responsible Investment (PRI)⁶, Council of Institutional Investors (CII)⁷ and the International Corporate Governance Network (ICGN)⁸.

The performance of the portfolio management team is measured, in part, on the quality of its assessment of such risks and opportunities, including those related to financially material, climate-related factors.

FMR UK has added climate risk metrics to its portfolio management oversight processes, further enabling portfolio management and leadership to assess long-term climate risks at the portfolio level. The portfolio management team is working to enhance this reporting with climate-related scenario analyses in the future.

The alignment to a transitioning economy is part of FMR UK's investment risk assessment process, as noted previously. Sustainable investment research and company engagement enable FMR UK portfolio management teams to assess portfolio risks related to a transitioning economy. The periodic refresh of the research and ongoing engagement help to ensure portfolio managers have the most current information with which to manage financially material climate-related risks impacting FMR UK's principal business activity: portfolio management.

As previously noted, in the first paragraph of the Governance section, FMR UK's Head of UK Business Management and Strategy coordinates with sustainability partners in FMR LLC, as appropriate, on corporate sustainability matters. Such coordination helps ensure that FMR UK accounts for material climate-related risks in light of potential impacts at the corporate level.

4 The IFRS Foundation is a not-for-profit, public interest organisation established to develop high-quality, understandable, enforceable, and globally accepted accounting and sustainability disclosure standards. The standards are developed by two standard-setting boards, the International Accounting Standards Board (IASB) and International Sustainability Standards Board (ISSB). <https://www.ifrs.org>

5 FCLTGlobal's mission is to focus capital on the long term to support a sustainable and prosperous economy. It is a non-profit organisation whose members are leading companies and investors worldwide that develops actionable research and tools to drive long-term value creation for savers and communities. <https://www.fcltglobal.org>

6 Principles For Responsible Investment (PRI). <https://www.unpri.org>

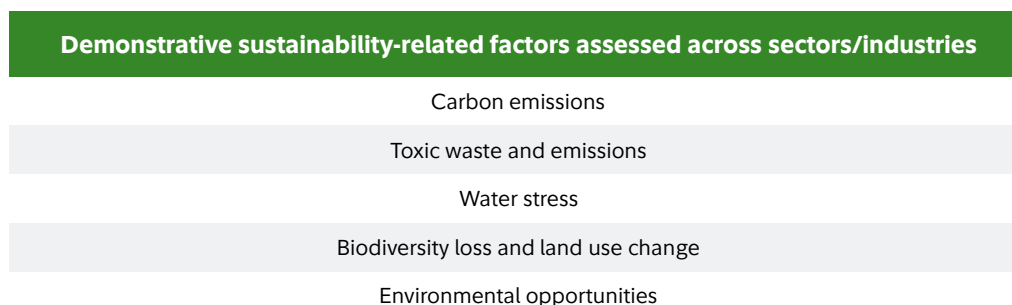
7 Council of Institutional Investors (CII) <https://www.cii.org/>

8 International Corporate Governance Network (ICGN). <https://www.icgn.org/>

Risk Management

The FMR UK portfolio management team utilises a broad mosaic of research to manage investment-related risks. This includes the consideration of financially material sustainability risks, which are an essential component of a robust fundamental research process. The analysis of sustainability-related factors, rooted in financial materiality, helps the FMR UK portfolio management team understand the most critical sustainability-related factors driving the business fundamentals of a particular industry or sector. Such insight enables FMR UK to assess and prioritise the most relevant risks to an issuer in a given sector or geography. Examples of climate-related factors identified as financially material across multiple sectors include:

FIGURE 1. CLIMATE-RELATED FACTORS



The sustainable investment research and environmental, social, and governance (ESG) ratings available to FMR UK portfolio managers build on the materiality maps and help provide a comprehensive view of an issuer’s key sustainability-related risks and opportunities. Sustainability partners at FMR LLC collaborate with analysts across the equity, fixed income, and high-income research teams, organised by sector coverage, to determine the material sustainability factors for publicly listed companies in each industry. We call this cross-asset-class collaboration our “sector partner” model. These sector partner teams create and enhance our corporate materiality maps to define the relative importance of sustainability factors for each industry and geography. By prioritising the primary financially material sustainability factors in each sector/region, our research and portfolio management teams are able to focus on the factors that we believe will most likely impact an issuer’s future performance.

The materiality maps are founded on the research-based Sustainability Accounting Standards Board (SASB) frameworks, and the sector partner teams enhance them based on their sector-specific expertise. Each industry’s materiality map lists the material sustainability factors that our team believes are most critical to driving the business fundamentals of a particular sector or industry, including climate-related factors.

Risk Management (continued)

The materiality maps are refreshed periodically as new insights emerge to ensure the factors identified are relevant, financially material, and properly weighted to reflect our analysts' most current bottom-up research.

Our corporate ESG ratings provide a framework for evaluating an issuer's current and future sustainability profile relative to peers and, therefore, enhance FMR UK's ability to evaluate the influence that material sustainability-related risks can have on a company's earnings outlook, business model, and strategic vision. A sector-relative approach for corporate issuers enables FMR UK portfolio managers to assess companies with the most and least favourable material sustainability characteristics within a sector.

FMR UK seeks to integrate new and emerging data into its sustainability-related analyses to provide FMR UK portfolio managers with unique insights to manage portfolio risks effectively.

Water usage, for example, has increased significantly over the last 100 years and there are global concerns about a growing and substantial mismatch between supply and demand. Water stress can financially impact companies through facility shutdowns, supply chain disruptions, stranded assets, etc. We developed a model that enhances our investment analysis of these risks, enhancing our ability to evaluate an issuer's water management practices and the geographic exposure of its assets to water-stressed areas.

Carbon emissions modelling continues to be critical in evaluating issuers' relative positioning for a low-carbon transition, aiding our research and portfolio management teams in identifying transition-related business risks and opportunities. FMR UK seeks to leverage advancements in science-based climate data estimation and modelling to enhance our management of portfolio risks by incorporating forward-looking information from issuers' projected decarbonisation pathways and by providing a more comprehensive view of issuers' value-chain emissions and their competitive positioning in the transition.

FMR UK continues to evolve the analysis and reporting on climate-related transition risks, including through scenario analysis tools, both at the issuer and fund levels. Physical and transition risks can be material from investment management and opportunity perspectives. To enhance the management of climate-related risks by portfolio managers, FMR UK monitors the use of scenario analysis tools and integrates oversight into its processes. Risk analysis is a critical aspect of the investment oversight process.

Risk Management (continued)

FMR UK has enhanced the climate-related risk information available to senior management and portfolio managers to support the investment oversight of portfolios, as appropriate, based on a fund's mandate and investment process.

FMR UK, in coordination with sustainability partners in FMR LLC, continues to support talent development and business initiatives to enhance internal expertise pertaining to financially material sustainability factors, including climate-related risks, which will help evolve research insights and analysis. This includes hosting leading international companies and expert speakers for discussions centred on a wide range of climate-related topics and partnering with academic institutions that are leaders in climate-related research and studies to stay abreast of developments. Providing opportunities for continual learning and professional development across a range of relevant topics, including climate-related concepts and their potential impacts, helps employees enhance their baseline understanding of climate risks.

FMR UK, through FMR LLC, also participates in external organisations to advance dialogue in the sustainable investing industry, aid in the efforts to build sustainable investing capabilities, and support enhanced disclosure of material sustainability factors. Through these organisations, FMR UK has improved its understanding of the metrics associated with the risks that are likely to have a material impact on an issuer's business and promote consistent disclosure standards that will improve the quality and comparability of data. As appropriate, FMR UK also engages with policymakers and regulators to encourage the development of regulatory frameworks that promote long-term investing.

In addition to research insights, FMR UK sees stewardship as a critical tool for addressing material risks and opportunities in portfolios to help generate long-term value creation for its clients. Stewardship involves an active, but not activist, approach to ownership: engagement across the capital structure with issuers on topics of strategic importance, including sustainability-related matters, and voting on behalf of clients consistent with their long-term financial interest. In pursuing this long-term financial interest, FMR UK invests in the ordinary course of business and not with the intended effect of changing or influencing control of the issuer. The goal of these activities is to create value for the business while mitigating potential risks, climate-related and otherwise.

Risk Management (continued)

Backed by fundamental and sustainable investment research, the FMR UK investment team engages with issuers' management and directors on topics, including those that are climate-related, deemed to affect long-term financial performance. FMR UK prioritises engagement on financially material risks and opportunities identified by its research. These considerations generally are incorporated in FMR UK's evaluation of an issuer's investment risk or return.

When engaging on natural capital matters, FMR UK, as a long-term steward of its clients' assets, encourages issuers to articulate their long-term strategy for risk management and capital deployment to innovate and succeed in a transitioning economy. This includes encouraging issuers to acknowledge and respond to financially material climate-related risks, and support those that innovate to address these risks in a way that provides tangible value to investors.

FMR UK encourages issuers to consider activities that will make them better investments in the long-term and increase transparency on oversight and processes by providing information relevant to investment decisions. This assists the investment team in identifying, assessing, and managing portfolio risks. In cases where our research has identified a topic of material opportunity, we may encourage issuers to consider activities that will leverage that opportunity with the goal of creating value in the longer term. To that end, FMR UK may, in its discretion, deploy any number of stewardship strategies, including to encourage and support additional investment behind the identified opportunity. Likewise, in cases where our research has identified a topic of material financial risk, FMR UK may, in its discretion, deploy any number of stewardship strategies, including considering the risk in question as part of a re-rating in certain circumstances or as part of the buy/sell discipline for the relevant strategies, subject to portfolio manager discretion.

Metrics and Targets

FMR UK's entity-level metrics for its assets under management (AUM) are set out below. For purposes of this TCFD entity-level report, FMR UK reports on Carbon Emissions, Carbon Footprint, and Weighted Average Carbon Intensity relative to its AUM. See Figure 2 for a description of these metrics.

FIGURE 2. DESCRIPTION OF CLIMATE-RELATED METRICS

Metric	Definition
<p>Carbon Emissions</p>	<p>Also known as Financed Emissions, this measure indicates exposure to issuer GHG emissions as a proportion of their total emissions based on FMR UK's aggregate portfolio holdings. This metric is expressed in tons of CO₂e.</p> <p>Aggregate Carbon Emissions for Scope 1, 2, and 3 =</p> $= \sum_n^i \sum_m^k \left(\frac{\text{Investment in USD}_{i,k}}{\text{Issuer's EVIC in USD}_i} \right) \times \text{Issuer's Scope 1, 2, and 3 GHG emissions}_i$ <p><i>i</i>: indicates investment positions in fund EVIC: Enterprise Value Including Cash <i>k</i>: indicates funds in the FMR UK Complex CO₂e: standard unit used to compare and account for emissions from various greenhouse gases (e.g., CO₂, methane, etc.) based upon their global warming potential</p>
<p>Carbon Footprint</p>	<p>Also known as Carbon to Value Invested, this measure indicates emissions intensity as a proportion of FMR UK's aggregate portfolio.</p> <p>Carbon Footprint for Scopes 1, 2, and 3 =</p> $\frac{\text{Aggregate Carbon Emissions for Scopes 1, 2, and 3}}{\text{Aggregate Value of Portfolios (million USD)}}$
<p>Weighted Average Carbon Intensity (WACI)</p>	<p>This measure indicates exposure to carbon-intensive issuers based on FMR UK's aggregated portfolio weights (at the time of the calculation). The issuer's GHG intensity is expressed in tons CO₂e per million USD in revenues.</p> <p>Aggregate Weighted Average Carbon Intensity of Scopes 1, 2, and 3=</p> $\sum_n^i \sum_m^k \left(\frac{\text{Investment in USD}_{i,k}}{\text{Total FMR UK assets}} \right) \times \text{Issuer's Scope 1, 2, and 3 GHG intensity}_i$ <p><i>i</i>: indicates investment positions in fund <i>k</i>: indicates funds in the FMR UK Complex CO₂e: standard unit used to compare and account for emissions from various greenhouse gases (e.g., CO₂, methane, etc.) based upon their global warming potential.</p>

Metrics and Targets (continued)

FIGURE 2. DESCRIPTION OF CLIMATE-RELATED METRICS (CONTINUED)

Metric	Definition
Scope 1 GHG emissions (included in Carbon Emissions, Carbon Footprint, and WACI)	Direct emissions, or emissions that occur from sources owned or controlled by the reporting entity (e.g., a reporting company/issuer held in FMR UK portfolios). Examples may include emissions from a company's boilers, vehicles, etc. Data provided by MSCI. ⁹
Scope 2 GHG emissions (included in Carbon Emissions, Carbon Footprint, and WACI)	Indirect emissions, specifically emissions generated at energy provider facilities (e.g., power plants) to meet the company/ issuer's demand for generation of purchased or acquired energy (e.g., electricity, steam, heating, etc.). Data provided by MSCI.
Scope 3 GHG emissions (included in Carbon Emissions, Carbon Footprint, and WACI)	Also considered indirect emissions, Scope 3 emissions are separate from those covered by Scope 1 and 2 and occur in the value chain of the reporting entity. Scope 3 can include a wide range of emissions related to a company/issuer's operations, including, among other things, emissions resulting from employees' commutes to the office; the manufacture or extraction of purchased materials and supplies; and emissions that result from the use of finished products. Data provided by MSCI.
Coverage	The coverage percentages reported in Figure 3 were calculated by aggregating investments with coverage across all portfolios in the covered asset classes (listed equities and corporate bonds), using a holdings look-through approach and dividing by the total covered assets. The aggregate coverage percentage is an estimate of the percentage of holdings within the covered assets for which data were available to calculate climate-related metrics.

⁹ MSCI.
<https://www.msci.com/>

Metrics and Targets (continued)

FMR UK's climate-related metrics do not cover all asset classes.

Where data is available, FMR UK's climate-related methodology covers:

- Listed equities
- Corporate bonds

The methodology does not cover:

- Non-corporate bonds
- Commodities
- Alternatives
- Real Estate
- Derivatives
- Cash

Climate-related metrics are not available for all of FMR UK's AUM, and even when issuer-level GHG emissions data is available, it may be incomplete across scopes 1, 2, and 3. FMR UK, in partnership with sustainability partners in FMR LLC, continually seeks opportunities to expand reporting coverage as issuer disclosure rates and data quality improve.

FMR UK's climate-related metrics are sourced from MSCI and calculated using voluntary or third-party reported data, which could be inaccurate or incomplete and can vary across issuers. While the rate at which issuers are disclosing emissions, Enterprise Value Including Cash (EVIC), and revenue data is expected to improve over time, it is not precise. Where practicable, MSCI addresses this lack of issuer disclosure by imputing missing data using a variety of methodologies. The input data represent estimates and actual issuer emissions may differ. Due to issuer reporting delays and the time required for MSCI to update its datasets, the as-of dates of the MSCI data used in FMR UK's metrics may not match the as-of date (December 31, 2024) of the holdings used as the basis for the 2024 results provided in this report.

FMR UK's methodology for calculating climate-related metrics at the fund/portfolio level was developed according to the standards set by the Partnership for Carbon Accounting Financials (PCAF), including adjustment for data unavailable for emissions calculations.

Metrics and Targets (continued)

Results

Figure 3 provides estimated results for FMR UK's AUM as of December 31, 2024.

FIGURE 3. CLIMATE-RELATED METRICS FOR FMR UK'S AUM

Metric	2024 Result	2024 Coverage	2023 Result	2023 Coverage
Carbon Emissions (tons CO ₂ e)	5,815,421		3,396,149	
Scope 1 and 2	421,938	63%	474,041	62%
Scope 3	5,393,483	63%	2,922,108	64%
Carbon Footprint (tons CO ₂ e/Million USD invested)	304		227	
Scope 1 and 2	22	63%	32	62%
Scope 3	282	63%	195	64%
Weighted Average Carbon Intensity (WACI) (tons CO ₂ e/\$Million in revenues)	872		1,068	
Scope 1 and 2	108	87%	108	69%
Scope 3	764	87%	960	83%

Metrics are unaudited, preliminary estimates. The coverage percentages represent climate-related data available for aggregated investments within the total covered portfolio assets only (Listed Equities and Corporate Bonds). Note the data limitations mentioned in the section above.

Metrics and Targets (continued)

Discussion

In this year's report, we have made enhancements to our methodology for calculating aggregate carbon emissions, weighted average carbon intensity (WACI), and coverage. The current look-through approach achieves a more precise representation of emissions by treating FMR UK's aggregate holdings as a single, consolidated portfolio. This approach builds on the precision of the calculation method used in our 2023 report that relied on a sum of the asset weightings across respective portfolios to generate aggregate portfolio numbers. This refined method impacts Scope 3 emissions reporting more significantly than Scopes 1 and 2.

When comparing the Carbon Footprints of 2024 and 2023, we observe that the coverage remains relatively similar, with a slight increase in Scopes 1 and 2 and a decrease in Scope 3. However, despite this overall stability, there is a notable increase in the Scope 3 Carbon Footprint, albeit not in terms of WACI. We believe this increase can be attributed to two primary factors:

Methodological Change: As previously mentioned, our revised calculation approach is intended to provide a more accurate reflection of emissions, particularly affecting Scope 3, and

New Investments: This year, we made new investments in issuers with large carbon emissions relative to EVIC but not necessarily to their revenue. This discrepancy arises due to these issuers having a much smaller EVIC-to-revenue ratio, thus impacting the Carbon Footprint metric more prominently than the WACI metric.

The increase in Carbon Emissions can be explained by the rationales behind the Carbon Footprint change together with the increase in the overall aggregate investment. We estimate the methodological changes account for approximately half the increase in reported emissions with the balance attributable to the shift in the mix and size of investments.

The analysis of sustainability-related factors, founded on financial materiality assessments, provides the FMR UK portfolio management teams with valuable insights as we seek to understand which climate-related factors may pose the most relevant risks to an issuer's long-term value. Carbon emissions-related factors are commonly reviewed as part of our materiality assessments. Depending on the industry or sector, these factors can be material to an issuer's long-term value and ultimately to the value of FMR UK's portfolios. Sustainable investment research, as part of the overall research mosaic, may inform investment decisions by FMR UK portfolio managers when deemed relevant and aligned with the investment mandates.

Metrics and Targets (continued)

Discussion (continued)

At the corporate level, FMR UK provides estimated GHG emission results on an annual basis. FMR UK's latest annual financial statement reporting, along with disclosures related to FMR UK's methodology for reporting GHG emissions, may be found in the Annual Financial Statements filed with [UK Companies House](#). The FMR UK's office at 25 Cannon Street in London was designed to improve energy efficiency, operate on renewable energy sources, and has achieved a BREEAM¹⁰ Excellent certification.

Consistent with our goal of providing client choice, FMR UK continues not to set climate- or sustainability-related targets, such as a net-zero target, for its AUM. Therefore, FMR UK does not have a climate transition plan that aligns with the UK's goal of reaching net-zero greenhouse gas emissions by 2050. Rather, as described previously, consideration of transition risk on portfolio holdings is often a key factor in FMR UK's sustainable investment research process.

As previously noted, the performance of the portfolio management team is measured, in part, based on the quality of their assessment of material risks and opportunities, including financially material climate-related risks and opportunities.

¹⁰ [BREEAM | Sustainable Building Certification](#)

Looking Ahead

FMR UK continually seeks to create long-term value for its clients. With that pursuit in mind, FMR UK expects to enhance the tools available to its portfolio managers to use in assessing climate-related risks and opportunities.

Senior Management Statement

The FCA's ESG sourcebook¹¹ requires firms, such as FMR UK, to publish a TCFD entity report annually and include a statement confirming that the disclosures contained in the report comply with the requirements of the ESG sourcebook.

The disclosures made in the foregoing report are intended to describe how FMR UK considers climate-related risks and opportunities in relation to its principal business activity: portfolio management. Such considerations are made across FMR UK's governance, strategy, and risk management activities, and in coordination with sustainability partners in FMR LLC, as appropriate.

I confirm that the disclosures in FMR UK's TCFD entity report comply with the requirements set forth in the FCA's Sourcebook (ESG sourcebook chapters 2.1 and 2.2).



Mark Flaherty

Co-Chief Executive Officer
FMR Investment Management (UK) Limited

¹¹ [FCA Handbook, ESG](#)



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