

FIDELITY INTERNATIONAL COMMITS TO HALVE EMISSIONS FROM INVESTMENT PORTFOLIO BY 2030

- Climate Investing Policy sets out Fidelity International's approach to align its long-term active asset management strategy with a net zero future
- Proprietary Climate Ratings assess the ambition and alignment of Fidelity International's portfolio companies with a net zero pathway and prioritises engagement as the primary mechanism to reduce real economy emissions
- Targets 50% cut in CO₂ emissions from investment portfolio by 2030 and sets deadlines for phase out of thermal coal exposure

Lisbon. 26 October 2021: Fidelity International (Fidelity), a global asset manager with total client assets of \$787.1 billion, today announces an enhanced, engagement-led [climate investing policy](#), that aligns its long-term, active asset management strategy with a net zero future.

Building on its commitment as a founding signatory to the Net Zero Asset Managers Initiative¹ to reach net zero by 2050, Fidelity has pledged to reduce CO₂ emissions across its portfolio by 50% by 2030, from a 2020 baseline.

To guide this process, Fidelity will introduce proprietary Climate Ratings. The Climate Ratings leverage Fidelity's in-house research capabilities to assess the net zero ambition and alignment of investee companies and will be used to set targets for the net zero pathway of its funds. Together with the [enhanced voting practices](#) announced this summer to hold companies to minimum ESG standards, this policy will encourage companies to reduce their impact on the planet and deliver value for all stakeholders in a decarbonising world.

“As a responsible investor, we must understand the carbon footprint of the portfolios we manage for our clients and work with the companies we invest in to reduce emissions in

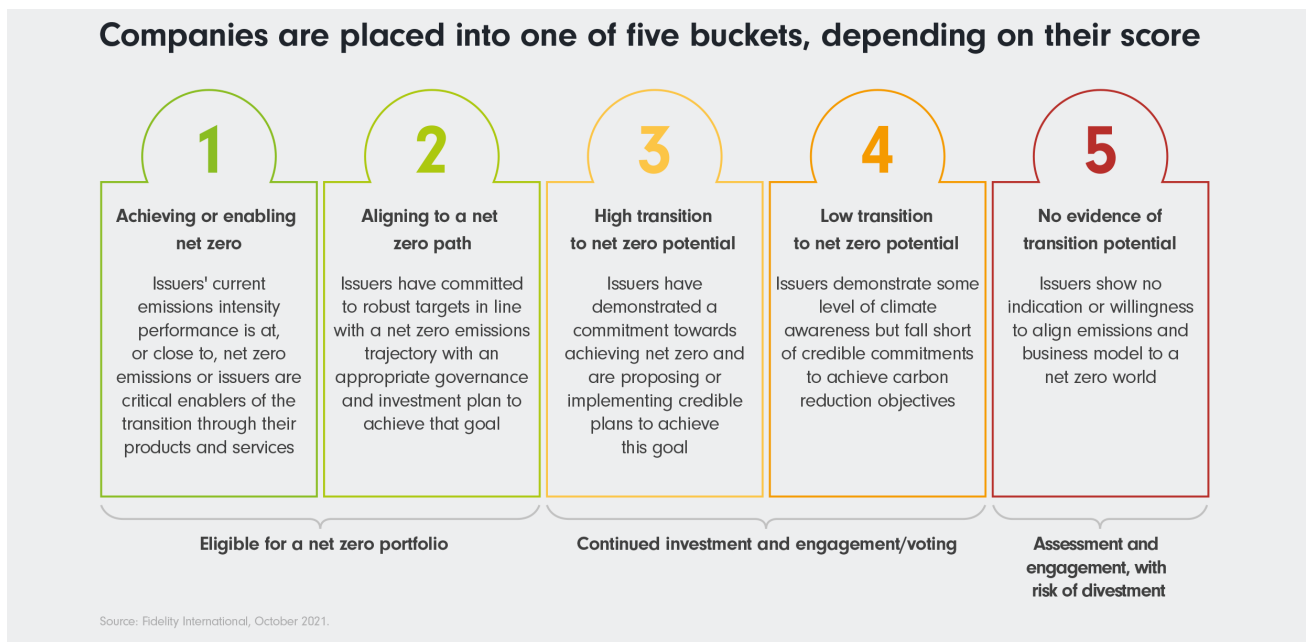
¹ <https://www.netzeroassetmanagers.org/>

alignment with global net zero targets,” said Jenn-Hui Tan, Global Head of Stewardship and Sustainable Investing, Fidelity International.

“Fidelity invests in many of the world’s leading companies and we want to use our influence as active stewards of capital to help the world meet its climate goals. This long-term, engagement-led policy aims to hold businesses to account for their carbon footprint and ensure that transparent public markets are a powerful force for decarbonisation.”

Climate Ratings

Fidelity’s proprietary Climate Rating methodology draws on the expertise of in-house research analysts, sustainability specialists and more than 400 investment professionals around the world to assess companies based on their commitment to aligning their business with a net zero future.



Climate Ratings will be rolled out for all companies in Fidelity’s investment universe and integrated into all investment decisions. In the first phase, the ratings will be used to identify engagement opportunities in high-impact sectors and to set interim targets for 2025 and beyond to ensure that all funds which promote environmental or social characteristics and those with a sustainable investment objective are aligned with a net zero trajectory by 2050.

Where issuers are assessed to be not aligned but have a credible transition pathway, Fidelity will seek to enhance its engagement with management and influence progress towards reduced emissions.

“These ratings will ensure we focus our efforts on the biggest emissions reduction opportunities. Targeted engagement will be crucial in meeting our portfolio emission goals,” said Tan.

Fidelity is also committed to reducing emissions from its own operations, having brought forward its goal to reduce company-wide operational carbon emissions to net zero by 2030.²

Thermal coal

To ensure its portfolio is aligned with a net zero future, Fidelity today commits to phase out exposure to the thermal coal sector in OECD countries by 2030 and by 2040 globally.³ This commitment is in line with the IEA’s Net Zero 2050 recommendations and global efforts to limit climate change to 1.5 degrees.

This gradual exit will give companies the opportunity to demonstrate their ability to transition and will be guided by Fidelity’s Climate Ratings and engagement policy. If individual companies do not show progress towards net zero in a timeframe not exceeding three years, Fidelity will look to divest.

“Immediately exiting our exposure to more carbon-intensive companies will diminish the impact we can make through active engagement and is unlikely to make a difference to real world emissions nor will it address the energy needs of many countries today,” said Tan.

“While Fidelity remains committed to working with companies on their transition, we recognise that some activities and businesses are incompatible with a net-zero future.

² Fidelity’s plan to achieve net zero across our own operations is set out in our [Corporate Sustainability Report 2021](#)

³ Additional exclusions apply for Fidelity’s Sustainable Family of Funds.

Divestment is a last resort, but it is the only outcome where companies are unable or unwilling to show progress.

“In addition, as the pace of innovation and technological development increases, we will continue to review our targets making we sure we remain flexible and able to respond to significant developments in this space.”

Useful documents

- [Climate Investing Policy](#)
- [Sustainable Investing Voting Principles and Guidelines](#)
- [Corporate Sustainability Report](#)
- [Task Force on Climate-related Financial Disclosures Report \(TCFD\) Report](#)

About Fidelity International

Fidelity International offers investment solutions and services and retirement expertise to more than 2.5 million customers globally. As a privately held, purpose-driven company with a 50-year heritage, we think generationally and invest for the long term. Operating in more than 25 countries and with \$787.1 billion in total assets, our clients range from central banks, sovereign wealth funds, large corporates, financial institutions, insurers and wealth managers, to private individuals.

Our Workplace & Personal Financial Health business provides individuals, advisers and employers with access to world-class investment choices, third-party solutions, administration services and pension guidance. Together with our Investment Solutions & Services business, we invest \$601.2 billion on behalf of our clients. By combining our asset management expertise with our solutions for workplace and personal investing, we work together to build better financial futures. Data as at 30 June 2021. Read more at [fidelityinternational.com](https://www.fidelityinternational.com)

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