

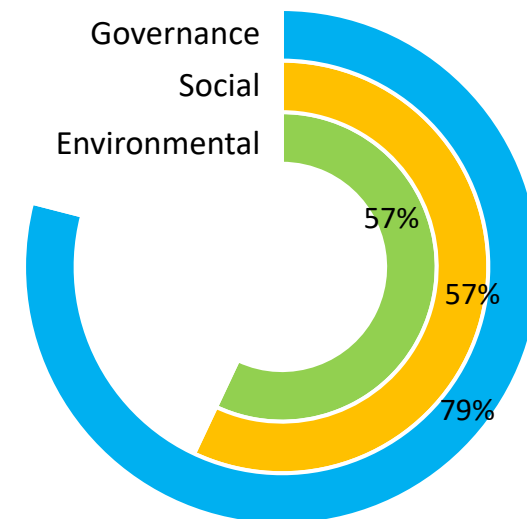
## Key Takeaways

Fidelity International is an asset management firm with \$812.8 billion in assets under management and administration. In July 2022, it released its Sustainable Investing Report, which highlighted its engagement and voting trends from 2021 as well as its objectives for 2022. Fidelity reported 1,464 engagements in 2021, with more than 800 of those involving proxy votes.

### 2021 Engagement Topics

<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Climate</li> <li>• Nature</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Customers</li> <li>• Communities</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Oversight</li> <li>• Incentives</li> <li>• Strategy and Reporting</li> </ul>

### 2021 Shareholder Proposal Support



## 2021 Engagement Priorities

### Climate

- Fidelity's policy explicitly identifies minimum standards for issuers to adhere to including setting and reporting on ambitious **targets aligned to the UN's Paris Agreement** on climate change
- Portfolio companies are expected to adopt policies **to reduce carbon and other GHG emissions**, adhere to potential regulation on climate change, and **reduce Scope 3 emissions**
- Fidelity has committed to phase-out thermal coal from portfolios by 2030 in OECD markets and by 2040, globally
- Fidelity supports **TCFD-aligned reporting**

### Diversity

- In 2020, Fidelity joined Australia's 40:40 Vision<sup>1</sup> to urge companies to set and report on board composition targets of 40% women, 40% men and 20% any gender
- Fidelity will continue to engage firms that fail to meet the **15% board gender diversity target** and encourage firms overall to build a pipeline of diverse talent

### Voting Expectations

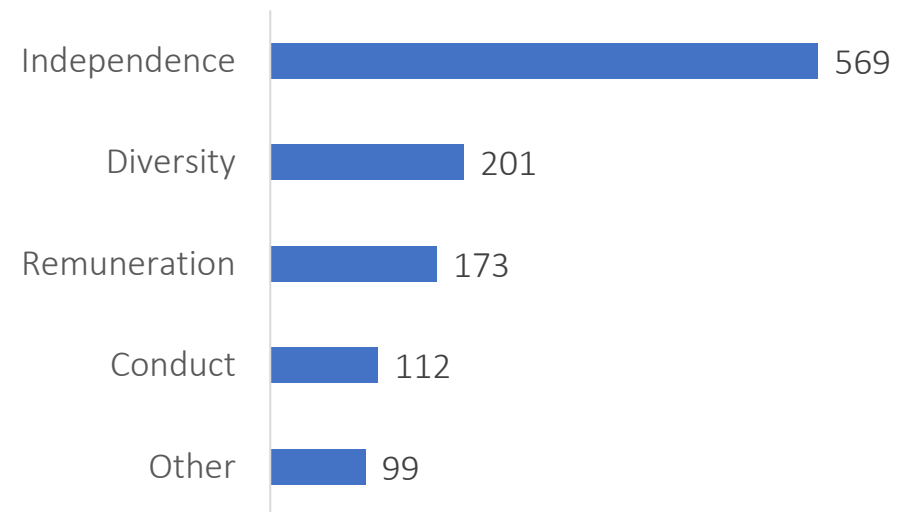
Fidelity International voted at a total of **4,310** meetings and voted AGAINST management **38%** of the time (see graph). It voted against **823** Directors in **648** companies. Two key 2021 updates to the fund's voting policies include:

- **Board Gender Diversity** – Fidelity will consider voting against the election of directors where boards do not have at least 30% female representation at companies in the most developed markets (including the UK, the EU and Australia) and 15% female representation in other markets
- **Climate** – Fidelity commits to vote against directors at companies that it believes are failing to adequately address the risks and opportunities posed by climate change

### 2022 Engagement Themes

- **Deforestation** – Fidelity believes that unabated loss of forests will undermine the ecosystem services on which over 50% of GDP is moderately or highly dependent, and it is inconsistent with commitments to achieve net zero
- **Just Transition** – When engaging with companies on climate change and implementing a decarbonisation strategy, Fidelity explicitly expects companies to consider the social implications of their decarbonisation approach
  - Core aspect of thermal coal engagements as energy security implications and inclusivity are objectives
- **Double Materiality** – Companies are responsible for managing the financial risk of the social and environmental factors upon which they depend, as well as the impact their business has on people and the planet

### Top Reasons for Voting Against Directors (2021)



<sup>1</sup> an investor-led initiative in Australia with an aim of achieving gender balance in executive leadership across all ASX200 companies by 2030



Understand How ESG Weighs into Investor Considerations to Make Your Next Engagement More Successful.

[ESG Roadshows](#)

[Data-Driven ESG Strategy](#)

## What ZMH Can Do for You

*Our Proprietary **ESG Engagement Dashboard™** allows you to leverage technology and data to optimize your shareholder interactions.*

**ZMH Advisors LLC.** is a technology-based shareholder and ESG advisory firm. We combine two decades of corporate governance and investor engagement experience with next-gen data analytics to deliver customized solutions for clients ranging from pre-IPO to S&P 500 companies. Our data-driven approach is powered by a proprietary **ESG Engagement Dashboard™**, which provides unique insights on investors with \$50T AUM.

Know what could be asked during an engagement

Stay up to date on investor's ESG priorities

Access to 1000+ case studies & detailed analysis

Understand how investors will vote on your ballot

Gain access to 7M NPX voting records & governance policies

Contact information & key players at each firm

CONTACT US TO SCHEDULE A DEMO

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