2023 Sustainable Investing Report

Fidelity Investments Canada

Contents

Foreword

Dear valued client,

At Fidelity Investments Canada, we are committed to creating value for our clients through our primary business objective – delivering strong investment performance and exceptional services. This has been the cornerstone of our success for over 35 years as we strive to help our clients build better futures and meet their financial goals.

Relative to history, investors today are more inclined to consider the long-term societal impacts of their portfolios. This ongoing shift is driven not only by ethical considerations but also by a recognition that sustainability-related practices could lead to stronger long-term performance and value creation. These practices have been integrated into our investment research process, and we are deeply committed to continuing to build out and evolve our capabilities to benefit our clients.

In the 2023 Fidelity Investments Canada Sustainable Investing Report, we detail our approach to sustainable investing within five key areas – environmental, social and governance (ESG) research, investment stewardship, communication, sustainable investment solutions and collaboration – and illustrate how this approach reinforces our dedication of aiming to delivering outstanding client experiences.

Throughout the report, we hope you will get a sense of how engaging constructively with companies in which we invest is at the heart of our world-class research capabilities. Whether it is engaging investee companies about their overall business strategy, their governance or their plans to capitalize on a long-term trend toward a greener economy, this report highlights how our engagement with companies on a range of matters is helping our investment teams mitigate risk, uncover opportunities and add value for our clients.

Investment research is fundamental to delivering strong investment performance. As the world continues to change, we will continue to be on a journey to adopt best practices and improve our capabilities. We hope that the transparency in this report supports your due diligence on our efforts.

Thank you for your time and for the trust and confidence you place in Fidelity.

Sincerely,

Andrew Marchese
Chief Investment Officer and Portfolio Manager
Fidelity Investments Canada

Overview

Fidelity Investments Canada ULC is a global asset manager that has been serving Canadian investors for over 35 years. By focusing on bringing the best asset management capabilities Fidelity has to offer from around the world, we support our mission to build a better financial future for Canadian investors.

Through a global network of investment professionals, we carefully research and analyze a broad mosaic of factors to identify investment opportunities and risks across all geographies, investment styles and asset classes. Sustainability factors can be important parts of that mosaic. We believe it is essential to have a research process that identifies, evaluates and monitors material financial and ESG factors for all companies under coverage, in an effort to support our objective of delivering long-term value creation for our investors.

As an active investment manager, we believe we play an important role in engaging with company management teams. Not only does regular engagement help inform our investment decisions, it may also serve as a forum to encourage company management to improve procedures and policies. Through our engagement, we aim to understand a company's strategy and how it will influence long-term shareholder value. We use these opportunities not to set a company's strategy but to ensure that management is addressing all relevant risks and opportunities that are critical to their ongoing operations. From a sustainability perspective, we hope to use our seat at the table to discuss each company's path toward a more sustainable future.

This report has been provided by Fidelity Investments Canada ULC (Fidelity) and is for information purposes only. It comprises, among other things, examples of sustainable investing activities across Fidelity and FIL Limited (FIL) only, current as at the date of the report. The report may refer to ESG considerations that Fidelity and FIL may take into account as part of their research process, and does not reflect the approach of any other Fidelity Investments company or subadvisors, such as Fidelity Management & Research Company LLC, Geode Capital Management LLC, and State Street Global Advisors Ltd., to ESG research, stewardship and sustainable investing, either specifically or generally.

Sustainability at Fidelity Canada

Over the last decade, it's become increasingly important for businesses to adopt sustainability practices and in more recent years, extreme weather events and social movements have brought even more focus on this work. Companies within the financial services sector, including Fidelity Canada, play an important role in identifying and addressing the impacts that we have on the environment and society at large, including our business and operations. The table below outlines the mandate and structure of Fidelity's Corporate Sustainability Committee.

Corporate Sustainability Committee (CSC)

Mandate: Develop and maintain a clear, ambitious, and realistic corporate sustainability strategy for Fidelity Canada. With the assistance from the Corporate Sustainability team establish sustainability goals, initiatives and metrics, and implement a comprehensive policy in this area. The CSC also oversees the assessment and management of sustainability related activities with respect to Fidelity Canada as a business and to provide support, as needed, to Fidelity's sustainable investing activities.

CSC Chair:

VP, Corporate Sustainability[1]

Corporate Sustainability

Vision: To guide and advance Fidelity Canada towards a sustainable future.

Mission: By offering our perspectives on sustainability, we seek to unite Fidelity Canada's core strengths with our sustainability efforts. Working alongside our business partners across the organization, we strive to create momentum and progress toward a sustainable future for our clients and employees.

VP, Corporate Sustainability
Manager, Corporate Sustainability
Corporate Sustainability and Communications Manager
Corporate Sustainability Risk Manager
Corporate Sustainability Analyst

Sustainable Investing

Vision: Meeting evolving consumer demand for sustainable investment products that align with sustainable values.

Mission: Supporting and promoting Fidelity Canada's sustainable investment products and initiatives. Supports sustainable investing initiatives, including the development and management of new and existing sustainable investment products, collaborating with sustainable investing-related investment organizations, and maintaining current knowledge of regulatory changes that may impact sustainable investing reporting and disclosure, to drive Fidelity's sustainable investment marketing and sales efforts.

Director, Product Solutions and Sustainability
Sustainable Investment Specialist
Sustainable Investment Associate

1 In 2024, Brock Dunlop, VP of Corporate Sustainability took on a different role within the organization. Brock is succeeded by Shane Ayres, VP of Institutional Distribution & Corporate Sustainability (formerly, VP of Institutional Distribution).

Sustainable investing at Fidelity

Fidelity's sustainable investing strategy

As an investment firm, our top priority is creating value for our clients. We are committed to taking sustainability into consideration in the way we approach investment research and strive to offer a variety of sustainable investment product solutions.

At Fidelity, our sustainable investing approach has five elements.

1. **ESG research.** Material ESG factors serve as one of many research inputs in security valuation. Fidelity believes ESG factors are important inputs into the overall research process and can help identify companies that can drive long-term value creation for investors. Fidelity incorporates the use of ESG/sustainability ratings, both proprietary and third-party, to inform investment research. Companies are evaluated based on the ESG factors that are relevant and material to their operations and business over the long term.

2. **Investment stewardship.** As one of the world's largest asset managers, we have the standing to encourage companies to make more informed investment decisions, mainly through engagement and proxy voting. Engagement is part of our overall fundamental research process and is generally applied across issuers, and will include discussions of ESG and other factors where they have a material impact on either investment risk or return potential. Proxy voting is carried out for all Fidelity Funds according to each subadvisor's proxy voting guidelines, regardless of whether a fund is ESG-focused or not.

3. **Communication.** We strive to be transparent with investors regarding what they're invested in, articulating the attributes of our sustainable investment products so investors can develop a deeper understanding of our funds' ESG characteristics. We also look to educate and inform our clients on ESG-related matters through thought leadership, webcasts, events and other means, while promoting our sustainable investing capabilities.

4. **Sustainable investment solutions.** Fidelity's mission is to build a better future for Canadian investors and help them stay ahead. We offer investors and institutions a range of investment strategies to help them reach their financial and life goals. For clients seeking to align their values with their investments, Fidelity is committed to offering a range of sustainable investment solutions to help meet their aspirations and financial needs.

5. **Collaboration.** Fidelity has demonstrated a commitment to upholding and furthering the adoption and use of sustainable investment best practices by becoming a signatory to the United Nations-supported Principles for Responsible Investment. In addition, Fidelity is also a member of the Responsible Investment Association. These collaborations keep us informed of relevant ESG-related industry developments and corroborate whether our efforts are moving in the right direction.

Collaborative initiatives

Responsible Investment Association

The Responsible Investment Association (RIA) aims to promote responsible investment (RI) in Canada. To achieve its mission, the RIA organizes conferences and develops training courses and content for advisors to help improve their RI knowledge. Fidelity has been an associate member since 2019.

Principles for Responsible Investment

The PRI is an international network of investor signatories and the world's leading proponent of responsible investment. As part of being a signatory, there is a commitment to six principles centering around incorporating ESG into the investment process, business policies and practices, as well as a focus on disclosure and transparency. Fidelity has been a signatory since 2020.[2]

2 Fidelity Investments Canada ULC ("Fidelity") became a UNPRI signatory on December 16, 2020, while Fidelity (Canada) Asset Management ULC ("FCAM") (a former stand-alone investment manager that amalgamated with Fidelity at the beginning of 2021) became a UNPRI signatory on September 23, 2019.

Integrating ESG into Fidelity's investment research process

Stewardship

Fidelity principally pursues active investment styles informed by rigorous bottom-up fundamental research. Our objective, first and foremost, is to deliver strong long-term investment performance to our clients. Accordingly, seeking a thorough understanding of all aspects of the companies in which we invest, including environmental, social and governance characteristics, is paramount to our success.

Fidelity believes that high standards of corporate responsibility make good business sense. The investment research process undertaken by our analysts and portfolio managers takes ESG factors into account when these have a material impact on either investment risk or return potential. Fidelity believes ESG factors are important inputs into the overall research process and can help identify companies that can drive long-term value creation for investors.

For Fidelity Funds that have an ESG-focused investment objective, please refer to the investment objectives and investment strategies in the applicable ESG-focused fund's prospectus, which articulates the ESG parameters used. For non-ESG-focused Fidelity Funds, the applicable Fidelity adviser and portfolio manager(s) have full discretion in determining whether and how relevant and material ESG factors are to a company's evaluation, consistent with their investment objectives, investment strategies and investable universe. In cases where a non-ESG-focused Fidelity Fund uses one or more ESG strategies (e.g., best-in-class, ESG integration, negative screening, etc.), either as part of its principal investment strategy or investment selection process, we will describe the ESG strategy used in the applicable prospectus of that fund.

Investment research process

ESG factors serve as one of many research inputs in security valuation and are important considerations in the overall research process. Fidelity incorporates the use of proprietary and third-party ESG/sustainability ratings to inform investment research. Fidelity's proprietary ESG/sustainability ratings are driven by fundamental inputs and determined by research professionals across the organization. Multiple data sources are leveraged, including public disclosures, company management engagements and third-party data, such as MSCI ESG research data, which in turn is used to supplement our own fundamental research. Companies are evaluated based on the ESG factors that are relevant and material to their operations and business over the long term. The proprietary ratings serve as a forward-looking assessment of how a company is incorporating ESG considerations into its business model, as well as its ESG performance and trajectory. The monitoring of ESG risks, factors and opportunities is undertaken as part of the fundamental research process, which includes the assessment of material financial and ESG factors for the companies we cover, and which is updated on a regular basis.

For our active investment strategies, Fidelity's investment analysts are the primary point of contact between Fidelity and the companies in which we invest, and they undertake extensive quantitative and qualitative analysis of potential investments.

Meetings are supplemented by site visits and ad hoc calls, when necessary. Research sources may include customers, suppliers, competitors, external industry experts, sell-side investment analysts and other shareholders, contacted both directly and through intermediary networks.

ESG integration

ESG analysis is primarily carried out at the analyst level within our investment teams. Our portfolio managers may also be active in analyzing the potential effects of material ESG factors.

For our active investment strategies, our investment approach involves bottom-up research. As well as studying financial conditions and results, our portfolio managers and analysts carry out additional qualitative analysis of potential investments. They examine the business, customers and suppliers to develop a holistic view of every company in which we invest.

Examples of ESG factors that our investment teams may consider as part of their fundamental research process include:

- Corporate governance (e.g., board structure, executive remuneration)
- Shareholder rights (e.g., election of directors, capital amendments)
- Changes to regulation (e.g., greenhouse gas (GHG) emissions restrictions, governance codes)
- Physical threats (e.g., extreme weather, climate change, water shortages)
- Brand and reputational issues (e.g., poor health and safety record, cybersecurity breaches)
- Supply chain management (e.g., increase in fatalities, lost time injury rates, labour relations)
- Work practices (e.g., observation of health, safety, and human rights provisions)

FIL's Sustainable Investing team works closely with Fidelity's investment management division, and plays a key role in assisting them with the implementation of FIL's sustainable investing framework, by:

- Working closely with the investment team globally, across asset classes, to help integrate ESG issues into the research process, where applicable.
- Engaging with investee companies on relevant ESG risks and opportunities.
- Maintaining a thorough understanding of current ESG themes and trends around the world.
- Attending external seminars and conferences focusing on trending ESG issues and ESG integration.
- Providing ESG training to the investment team and across the business.
- Providing internal ESG reporting, including analyst reports on current or emerging ESG themes and issues, portfolio manager reviews and industry analysis.
- Co-ordinating and responding to specific client queries on ESG topics.
- Implementing Fidelity's proxy voting guidelines.
- Client reporting on ESG integration and proxy voting, where requested.

As at December 31, 2023, FIL had 39 dedicated sustainable investing specialists.

Proprietary ESG ratings

Fidelity's ESG ratings are designed by our colleagues at FIL and are accessible to all Fidelity-managed and FIL sub-advised funds. They aim to provide a forward-looking assessment of the extent to which an issuer's performance on material sustainability issues either supports or is likely to impair long-term value creation for shareholders. The ratings are differentiated by their forward-looking emphasis and their use of company interactions and due diligence by Fidelity's fundamental analysts as the main input to identify and assess the material ESG risks affecting an issuer.

Our ESG ratings are integrated into Fidelity's research process and are available to all members of Fidelity's investment management division through our internal research platform. They serve as an additional source of insight.

What do Fidelity's ESG ratings look like?

Fidelity's ESG ratings comprise a combination of E, S and G indicators that aim to address the most material issues in each sector, providing a holistic, forward-looking view of a company's ESG practices. The ratings methodology reflects the evolution of Fidelity's ESG integration approach, founded on the principle of double materiality: a focus on ESG both in terms of business risk and in terms of the environmental and societal implications of a company's operations.

Our analysts assign a rating of A (best) to E (worst) for each company we assess. An A rating represents a company that has clearly understood and is proactively managing the ESG issues that can affect the long-term shareholder value of the company. An E rating represents the inverse.

How does Fidelity's rating system give us a competitive edge?

Fidelity's ESG ratings are based on our bottom-up company research and our regular interactions with management teams and boards of companies within our universe of 4,000 issuers. We source specific and comprehensive quantitative inputs to conduct our sustainability assessments. We then supplement and enrich these typically backward-looking quantitative assessments with qualitative inputs from our expert fundamental and sustainable investing specialists. This helps to ensure that our sustainability assessments are forward-looking and focus on the issues that matter.

The ratings are assigned by Fidelity and FIL's team of investment analysts across the world. Our analysts work in collaboration with each other across asset classes, conducting more than 20,000 company meetings every year, and they update the ratings at least annually, as well as whenever a significant ESG event occurs.

We have created customized materiality mappings for over 120 individual subsectors. Each map is formed from a specific selection and weighting of individual ESG indicators. The aim of this granularity is to create more focused and relevant sets of indicators for each subsector.

Individual scores at the indicator level are aggregated to the pillar E, S and G level, which are then combined to give an overall ESG score at the issuer level and trajectory ratings.

We are looking for four things in particular: awareness, action, results and direction of change. That means we are concerned with a company's future ambitions just as much as its past action. It is important for us to know whether a company is heading in a "stable," "improving" or "deteriorating" direction. We are looking forward rather than backward: we believe that is where value lies for investors, and it sets our ratings apart.

In addition to our own proprietary ratings, we use external research and rating providers such as MSCI and ISS Climate Solutions data to complement our internal research.

Fidelity's sustainable investment offerings

Fidelity offers a range of solutions for clients.

Fidelity Sustainable World ETF and ETF Fund

Sustainable investing approach: ESG integration, best-in-class screening and exclusionary screening.

Fidelity Sustainable World ETF (and Mutual Fund) is a global quantitative multi-factor equity strategy that invests primarily in companies with favourable ESG characteristics as defined by MSCI.

Fidelity Women's Leadership Fund

Sustainable investing approach: ESG integration and thematic investing.

Fidelity Women's Leadership Fund is a core U.S. equity strategy that invests primarily in companies that prioritize and advance women's leadership and development across their organization.

Fidelity Climate Leadership Funds

Sustainable investing approach: ESG integration and thematic investing.

The **Fidelity Climate Leadership™ Funds** form a suite of climate-focused investment funds (equity, fixed income and balanced) designed to capture the opportunities and risks created by the global transition to a low-carbon economy.

Active ownership

Fidelity's approach to active ownership comprises the engagement and proxy voting activity we undertake to gain a deeper understanding of a company's approach to ESG and the impacts of material ESG risks and opportunities on a company's business, and to ensure that their practices do not lead to unpriced material ESG risks.

This approach supports the responsible allocation of client assets in two main ways: by informing the investment process at the research stage, and by leveraging our ownership position in companies to help effect positive corporate change, such as the development of policies, or the improvement of processes that support the creation of long-term value for stakeholders.

Active engagement forms an integral component of our sustainable investing strategy. We use information gathered from engagements to inform our investment decisions and to encourage company management to improve procedures and policies. We believe engagement is key to having a deeper understanding of an investee company's material ESG risks and opportunities and to improving issuer behaviour and investor outcomes over the long term.

INVESTEE: RENEWABLE ELECTRICITY COMPANY

Engagement topics: Biodiversity, GHG emissions, board diversity, supply chain management

Background: Throughout 2023, our engagements focused on several topics, notably information disclosure regarding environmental efforts, such as biodiversity and GHG emissions. Additionally, governance-related topics were discussed, including board diversity and supply chain management.

Engagement focus: We engaged with the company at the beginning of 2022 on the topics noted above, particularly looking for more details on their operations. In 2023, we built on our prior engagement to ensure progress had been made.

From an environmental standpoint, in particular biodiversity, the company had made significant improvement on biodiversity disclosures, particularly with regard to setting targets and monitoring progress in connection with the company's biodiversity strategy and management plans. As for GHG emissions, the company operates with a small emissions footprint, because the nature of its business is predominately renewable. Still, we raised concerns about the lack of an emissions reduction target. In 2022 we encouraged the company to set GHG emission targets, and in our 2023 engagement we saw that the company had acted on our feedback and has set net-zero targets. We will continue to encourage disclosure best practices related to environmental metrics and targets.

In our 2022 engagement we raised concerns that board gender diversity did not meet our 30% board diversity policy. In our 2023 engagement, the company acknowledged that it had been unable to make significant progress on board diversity, but emphasized that it was increasing its efforts and expects to make improvements in the coming years.

We note that progress is evident, relative to our past engagement, with improved disclosure, environmental targets and better board diversity.

INVESTEE: FOOD RETAILER

Engagement topics: Biodiversity, waste management, board structure, employee management

Background: We engaged with the company several times throughout the year regarding biodiversity, waste management and governance-related issues.

Engagement focus: The 2023 engagements were focused on ensuring that progress had been made relative to the past engagements, which were catalysts for change. On the biodiversity front, the company has a target to eliminate deforestation from its supply chain in the near future. It has disclosed its progress in certain areas of the supply chain. However, we noticed that the company lacked disclosures that could create traceability concerns in the supply chain. We encouraged the company to address these concerns through additional disclosures and the company flagged this as a work in progress. We continue to encourage improvements in traceability, and stressed the importance of working alongside industry organizations.

In terms of waste management, the company has made improvements with its packaging targets and disclosures although we believe there is still room for further progress. We encouraged the company to adopt more quantifiable and timebound packaging targets.

Regarding board structure, the last time we engaged with the company we reinforced our 30% board diversity voting policy. Subsequently, the company announced a commitment to reach 30% women on its board. In our 2023 engagement, we noticed a significant improvement in female board diversity and recognized that the company is on track for its upcoming target.

On employee management, the company has experienced challenges with its franchisee labour practices. The company highlighted in our last engagement that it had taken steps to improve these practices. It continues to provide information and resources to franchisees to help them improve labour relations and reinforce the employee value proposition.

In the future, our engagements will focus on continuing to encourage the company to set further quantifiable and timebound targets, and to have the company disclose exposure and progress regarding its deforestation commitments.

INVESTEE: CONSTRUCTION AND ENGINEERING COMPANY

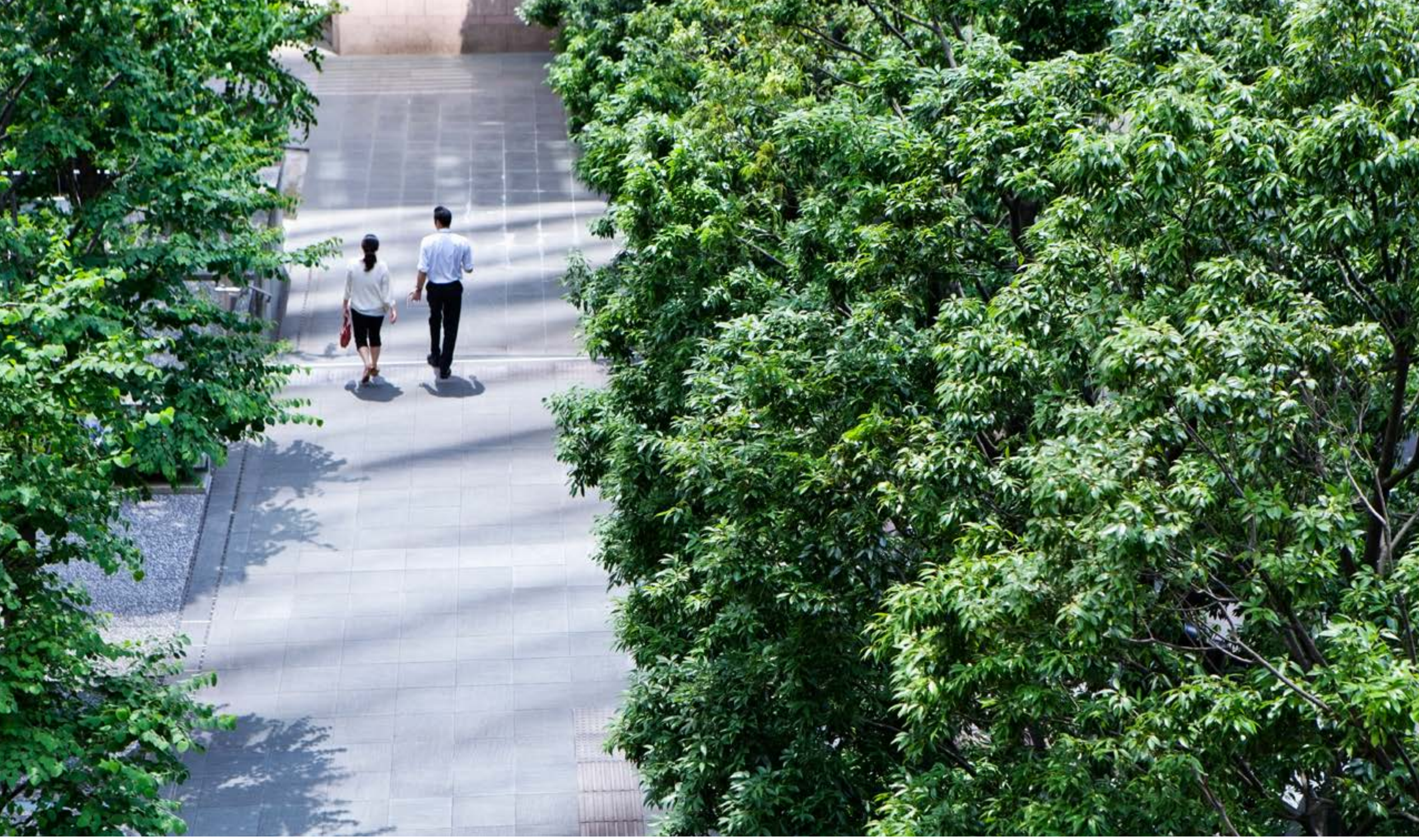
Engagement topics: Business strategy, management structure, executive renumeration

Background: In 2023, we engaged the company on a range of topics, including business strategy, management structure and executive renumeration.

Engagement focus: One of the focus areas for this engagement was the company's business strategy. In particular, we discussed the company's lack of performance in one of its key industries, which had experienced project delays and cost issues. The company is in process of addressing these issues but noted that it would take time. In the future, the company plans to invest more in other areas, such as energy, to help grow the future of its business. We will continue to monitor the company's performance and ensure that it has a sound business strategy that can benefit it in the long run.

We also engaged the company on management succession and board structure. Given expectations that the CEO may retire soon, we encouraged the company to have a succession plan that includes people with a range of applicable experiences. The company assured us that it has several viable successors within the company.

On executive remuneration, we engaged the company on its strategy: we believe it is tied to financial metrics that are no longer appropriate. We advised it to tie executive pay to investment return metrics to account for upcoming corporate activity.



The engagement and proxy voting process at Fidelity

Identifying engagement opportunities

We maintain an ongoing dialogue with management of investee companies. Formal meetings involving both portfolio managers and analysts are held with investee companies at least twice a year. In addition to these regular engagements, there are a variety of other opportunities for ad hoc engagements, including:

- Responding to a controversy or adverse event (e.g., evidence of poor governance).
- Firms flagged by our analysts during the proprietary sustainability rating assessment as good candidates for engagement (e.g., exposure to sustainability risks).
- FIL's Sustainable Investing team may conduct a thematic engagement on a particular sustainable investing issue (e.g., supply chain management).
- Issuers may request engagement on a specific governance or corporate event (e.g., mergers and acquisitions) prior to its announcement.

How we engage

Once we have identified an engagement opportunity, we believe a good approach is constructive dialogue with companies to explain our beliefs and expectations, and to encourage positive shifts in their practices and policies. Because of Fidelity's reputation for a fundamental and long-term approach to investing and our long-standing relationships with issuers worldwide, we believe we are well placed to use our influence on issuers to promote more sustainable practices. We therefore believe that engagement is often a better way for us to drive change than simply excluding companies from our portfolios.

Our engagement process is designed to be well defined and transparent, with the following components identified at the outset:

- Key issue areas: the themes for which the company has room for improvement (e.g., climate change).
- Objective: the ultimate desired outcome from engagement (e.g., reduced carbon emissions).
- Milestones: indications that the company is making efforts to achieve the objective we have communicated (e.g., setting a carbon reduction target).
- Key performance indicators (KPIs): it is important that there are measurable KPIs set against the milestones.
- Timeline: the timeframe in which we can reasonably expect a company to improve.
- Status: a point-in-time measure of progress (e.g., no progress vs. some progress vs. success).

Monitoring progress

Monitoring the progress of engagements is as important as initiating them, to assess change and success against milestones and objectives. Our analysts and sustainable investing specialists document engagements with issuers in a centralized application platform that is available to the entire investment team. This transparency allows the team to learn across sectors, themes and asset classes, enriching our depth of knowledge. Engagements can have various timeframes depending on the materiality and urgency of the ESG topic in discussion, and the outcomes (or lack of outcomes) from our engagements are reflected by our analysts in our sustainability ratings framework.

INVESTEE: TRAVEL COMPANY

Engagement topics: Executive remuneration, board structure, cyber security and data privacy

Background: There were two engagements that took place in 2023. The first engagement focused on executive remuneration, and the second engagement focused on board structure, cyber security and data privacy.

Engagement focus: The first engagement on executive remuneration focused mainly on the CEO's compensation package. When the company was previously searching for a new CEO, it front-loaded the compensation, which raised concerns about the compensation committee. The company explained that this was to attract the best CEO at a time when travel was not desirable, due to COVID-19. The company confirmed that it would improve communications with shareholders regarding this topic, which we were satisfied with.

During our second engagement, we met with the company to discuss "over-boarding" issues as there were certain directors who appeared to be on the board of multiple companies. We expressed our concerns that these directors might not be able to devote enough time and effort to the company. We also discussed the recent change of the CEO. We expressed our concerns about the company not communicating this change to investors in a timely manner. We discovered that the change was anticipated internally, but that it was not discussed externally in advance. We encouraged the company to prioritize indicating material changes like this to investors in the future. We will continue to monitor this situation and encourage prompt communication with investors whenever possible.

Regarding cyber security and data privacy, we discussed the potential of data breaches and whether the company had adequate controls to assess system security. The company asserted that it has a robust cyber security team and that it would provide more oversight of its cyber security procedures.

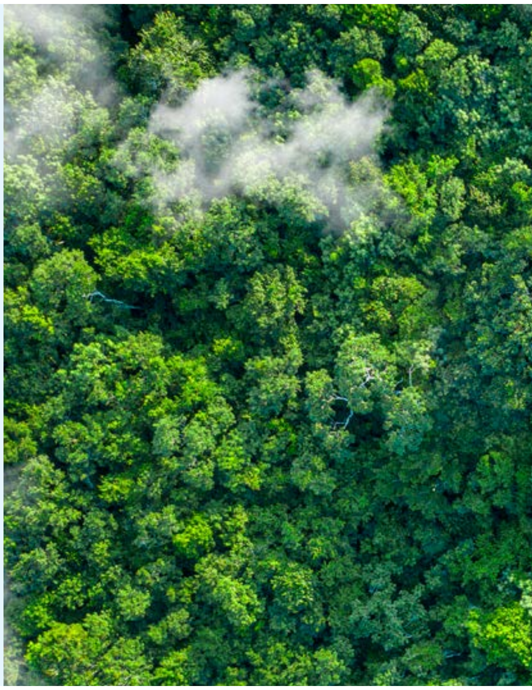
INVESTEE: SPECIALIZED CONSUMER SERVICES COMPANY

Engagement topics: Business ethics, GHG emissions

Background: Throughout 2023, our engagements with the company focused on several topics, most notably business ethics and greenhouse gas emissions reporting.

Engagement focus: With regard to business ethics, pricing strategies were the most notable topic of discussion as there had been concerns about the company's pricing practices. The company explained that the nature of its business makes it difficult to share its prices, which tend to differ according to location and other factors. We made note of upcoming legislation that would lead to more transparency in the industry. Based on our discussion, we did not find any evidence of inappropriate pricing practices; however, we will continue to monitor this issue for any potential impact on the company's business, in light of the upcoming legislation.

> From an environmental standpoint, we engaged the company on greenhouse gas emissions reporting. The company has made notable progress on its environmental metrics disclosures. We note that the company discussed its Scope 1 and Scope 2 emissions, and more efforts are being made to provide reduction targets and improve the granularity of disclosures. The company currently lacks Scope 3 reporting, but is working with external consultants to quantify Scope 3 emissions. It indicated that there is no specific timeline, but it aims to provide more granular information in the near future. We will continue to monitor this and encourage the company to improve its environmental metrics and targets.



How we vote

The exercise of ownership rights, including voting and engagement, can improve the performance and lower the risk of investments over time. We seek to vote all equity securities in which we are invested wherever possible. On rare occasions we may determine not to submit a vote, where in our view the cost of voting outweighs the associated benefits. We will also take account of the circumstances of the investee company concerned and of prevailing local market best practices. Our approach and policy regarding the exercise of voting rights are in accordance with all applicable laws and regulations, as well as being consistent with the investment objectives of the respective portfolios.

The FIL Sustainable Investing team is responsible for monitoring possible conflicts of interest with respect to proxy voting, which applies to Fidelity-managed assets and FIL sub-advised assets. In instances where a fund holds an investment in more than one party to a transaction, we will always act in the interests of the fund. When there is a conflict with our own interests, we will either vote in accordance with the recommendation of our proxy advisors, Institutional Shareholder Services (ISS), or, if no recommendation is available, we will abstain or not tender a vote.

We encourage boards to consult with investors in advance of a vote rather than risk putting forward resolutions at general meetings that may be voted down. Subject to the size of our investment, where our views differ from those of the board, we will seek to engage with the board at an early stage to try to resolve differences.

Voting, a fundamental part of our engagement with investee companies, is underpinned by the objectives of upholding good corporate governance standards across our equity holdings, preserving shareholder rights and supporting companies that are sustainable, responsible and accountable to their shareholders. Our voting process is highly collaborative and draws on the experience of our wider investment team to inform our final decision. While voting is mostly limited to our equity holdings, the research and engagement process surrounding our voting activities is leveraged across our investment team.

Proxy voting summary 2023

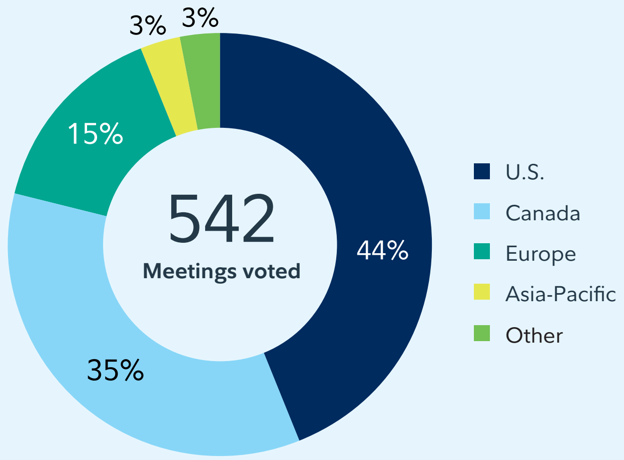
Proxy voting data provided in this report relate to the asset management division of Fidelity Investments Canada ULC.

We aim to vote our shares in the best interests of our clients, to support improved client returns, business behaviour and our goal of building better financial futures. We will apply discretion in the application of our voting principles and guidelines to ensure that our approach to voting is effective but also aligned with the best interests of our clients.

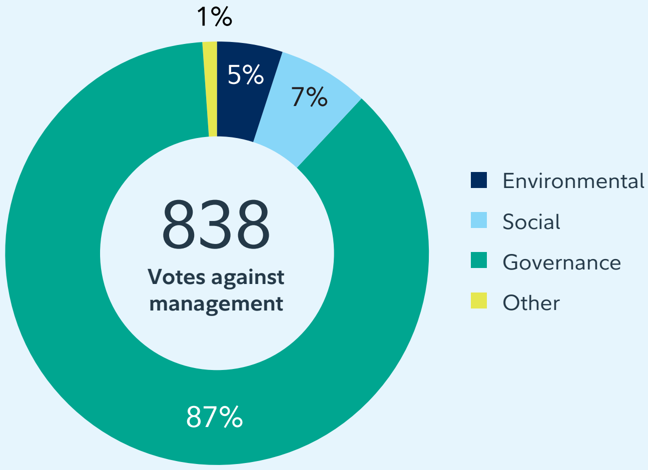
During 2023, we voted at 542 company meetings on 6,606 votable items. Of these company meetings, 360 (66%) were meetings at which we had at least one vote against management. Of the 6,606 proposals voted, 5,770 (87%) were with management, while 838 (13%) were against management.

Of the 838 votes against management, 730 (87%) were in connection with governance-related themes, such as director elections, remuneration, and audit and financial reporting. Social-related themes, such as diversity, equity and inclusion and political spending represented 59 (7%) of the votes against management. Environmental-related themes made up 42 (5%) of the votes against management, primarily focused on climate.

Voted meetings by geographical region



Details of votes against management



Governance-related topics

A well-functioning board is critical to the success and long-term sustainability of a company. Fidelity continually assesses the integrity, competence and capacity of individual directors. We believe that adequate independence on a board and its committees is critical to protecting shareholder value. Accordingly, we will generally vote against, for example, directors with a poor record of attendance, directors who are involved with too many external board mandates and/or directors whose independence is a matter of significant concern.

Regarding remuneration, we believe it is in the interest of shareholders that boards should have the ability to attract and retain the highest quality of executive directors. In our view, setting appropriate remuneration levels is primarily the responsibility of the remuneration committee of the board. Although this will be a market-based judgment, all remuneration arrangements should be aligned with the interests of shareholders and be proportionate to the contribution of the individuals concerned. We will generally vote against, for example, pay arrangements that we consider misaligned with shareholder interests, incentive arrangements where the dilutive effect is excessive and/or incentive plans that permit the immediate or short-term vesting of awards.

With regard to audit and financial reporting, we recognize the importance of corporate reporting and seek to ensure company disclosures are clear, transparent, comprehensive, consistent, timely and accurate. We believe companies should generally alter their governing documentation and principles to meet updated legal or technical requirements or to enhance shareholder interests, protections and rights. As a result, we will generally vote against, for example, the reappointment of auditors when we have concerns about the quality or integrity of the audit.

Social-related topics

We believe that welcoming and inclusive organizations that hire, foster, promote and remunerate employees on the basis of merit and without regard to gender, age, race, ethnicity, religion, sexual orientation, economic background, disability or other factors make better use of their human capital. Organizations that promote diversity may also be more productive and perform better. Investee companies are therefore encouraged to establish comprehensive and effective non-discrimination policies and actively ensure that these policies are upheld. Accordingly, we will generally vote against, for example, the boards of companies in developed markets that do not have at least 30% female representation.

With respect to human rights, we expect companies to practice fair treatment of workers, including contractors and subcontractors, and we look for decent wages, collective bargaining policies, freedom of association and grievance mechanisms. We will typically vote against the election of members of a company's board of directors, including the chair and CEO, and other proposals where, in our view, the company has not met the minimum standards of monitoring and overseeing itself and its suppliers with regard to human rights and minimizing the risk of modern slavery or human rights violations occurring within its organization or supply chain.

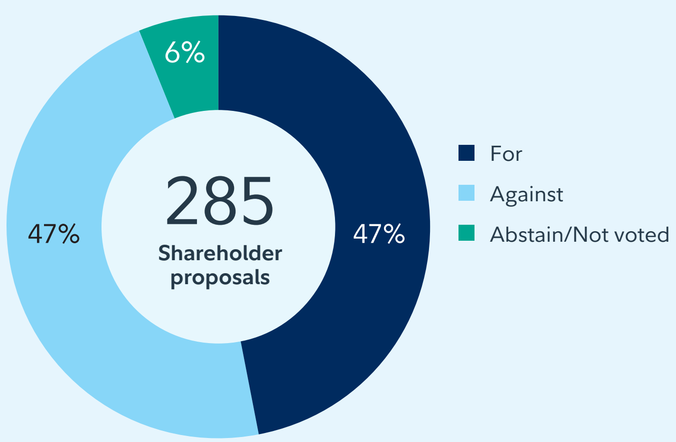
Regarding political spending, we support robust disclosures of corporate political lobbying activities. We will consider voting against management, typically on shareholder proposals, where there is a misalignment between involvement with political donations and lobbying activities and a company's own stated strategy or commitments, or when such lobbying activity is in conflict with the interests of stakeholders.

Environmental-related topics

We recognize that climate change poses risk to the long-term profitability and sustainability of companies. Investors are exposed to downside risks as a result of climate change, including the direct physical impacts of climate change (e.g., extreme weather events affecting agriculture and food supply, infrastructure, precipitation and water supply) and the impacts of policy measures directed at reducing greenhouse gas emissions from certain economic sectors. Accordingly, we seek to promote improved climate change-related corporate behaviour where applicable. Companies should meet minimum standards of climate change oversight, practice, disclosure and action. In addition, companies should take appropriate action to adapt their business models in line with international agreements aimed at mitigating the effects of climate change, biodiversity loss and deforestation. We will generally vote against directors at companies that do not meet our guidelines regarding their management and oversight of climate change-related risks, their transparency on climate change-related risks and opportunities, and their strategy to reduce their climate impact.

Shareholder proposals

We generally consider management's recommendations and current practices when voting on shareholder proposals concerning environmental and social issues, because we believe that management and the board are in the best position to determine how to address these matters. In certain situations, where our views differ from those of a company's management or board, we may seek to engage with management or the board at an early stage to try to resolve differences. Where this is not successful, we may decide to abstain, or to vote against a company's recommendation. Our guiding principle is that voting rights should always be exercised in the best interest of our clients.



INVESTEE: METALS AND MINING COMPANY

Engagement topics: Executive remuneration

Background: The engagement was focused on governance, particularly executive remuneration.

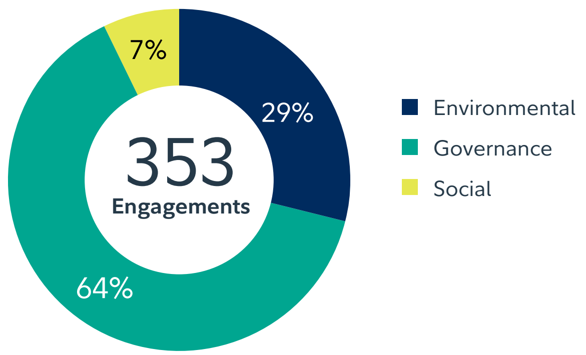
Engagement focus: At the company's annual general meeting, we raised concerns about executive compensation. Our main concern was with the nature and structure of one-time awards related to corporate events. We expressed our view to the company that the one-time award was inconsistent with our philosophy of "pay for performance." While we prefer that remuneration only reward realized synergies, at a minimum, we also expect an award to be equity-based and to depend on certain contingencies to protect the interests of external shareholders. The decisions to grant awards of this nature caused us to reflect on the board governance at the company. We suggested we would expect the compensation committee to challenge awards of this nature. As a result, we withheld our votes for the compensation chair's re-election.

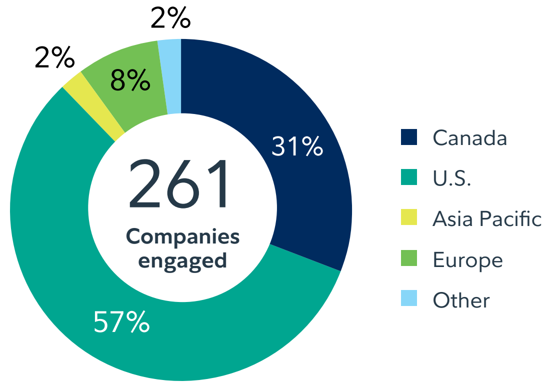
> Following the engagement, the firm has been receptive to investor feedback. The company aims to ensure that executive compensation is aligned with shareholder interests. It proactively made changes to executive compensation structure by reducing one-time awards and overall executive compensation. The effectiveness of the compensation committee following the appointment of a new compensation committee chair remains to be seen; we will continue to monitor and engage accordingly.

Engagement highlights 2023

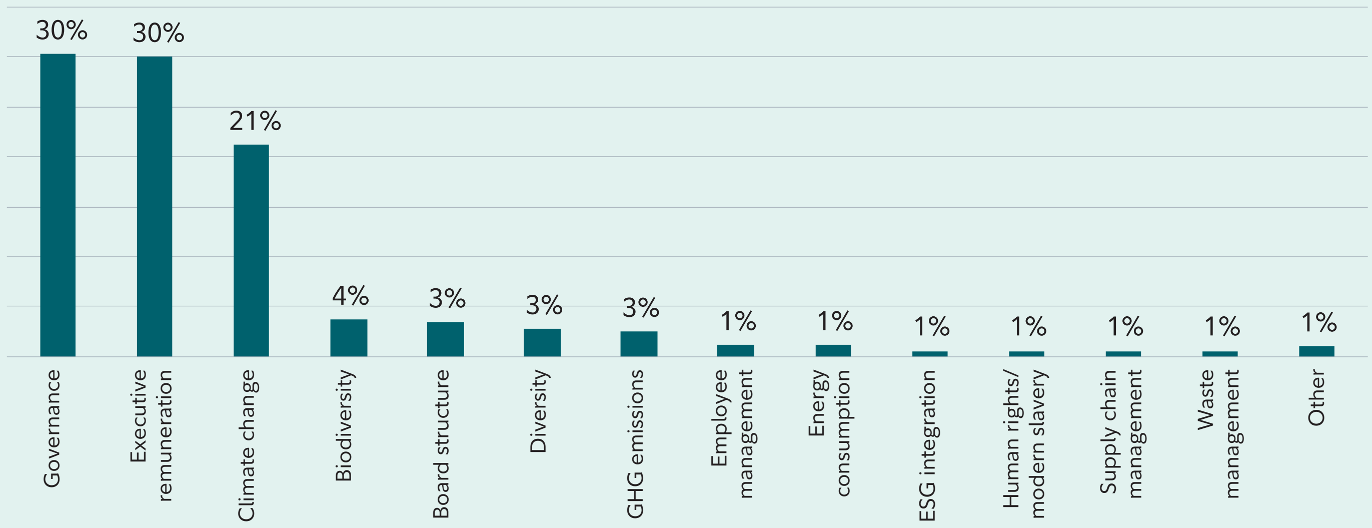
Engagement data and examples provided in this report relate to the asset management division of Fidelity Investments Canada ULC.

Over the course of 2023, we carried out 353 engagements with 261 companies around the world. These engagements were interactions with companies on ESG issues with the aim of influencing their ESG practices or improving their ESG disclosure. These interactions included meetings (in person or virtual) and written forms of communication. The engagements generally focused on corporate governance; executive remuneration and climate change were also common themes.





Engagement topic breakdown



Other reports and resources

- Corporate Sustainability Report fidelity.ca/sustainability-report
- 2022 TCFD Report fidelity.ca/financial-disclosure
- SI Glossary of Terms fidelity.ca/sustainable-glossary
- RI Policy fidelity.ca/responsible-investing

For more information, contact your Fidelity representative.

FIC-2758852 06/25 1589200-v2025618