



# 2023 Fidelity Canada Sustainability Report

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# About this report

We are pleased to share Fidelity Canada's inaugural sustainability report. The goal of this report is to provide our stakeholders information and transparency on how we are approaching sustainability, where we are in our journey and our efforts in 2023.

## Scope and guiding frameworks

This report covers the activities of Fidelity Canada's two legal entities: Fidelity Investments Canada ULC (FIC)<sup>1</sup> and Fidelity Clearing Canada ULC (FCC). Unless otherwise noted, the information presented in this report is as at December 31, 2023 and all dollar amounts are in Canadian currency (CAD).

This report is rooted in engaging with critical business stakeholders through a stakeholder materiality assessment that uncovered what sustainability topics are most important to us as we look towards the future. After we uncovered what focus areas are most important, we developed an aspiration statement for each that will set the stage for our strategic metrics and targets.

We acknowledge the need for consistent and comparable sustainability-related information. Therefore we also used the following reporting frameworks, which are grounded in financial materiality, to guide our disclosures:

- Task Force on Climate-Related Financial Disclosures (TCFD) recommendations; and
- Sustainability Accounting Standards Board (SASB) industry disclosure standard for asset management and custody activities.

## Assurance

The information and data in this report were collected and reviewed by subject-matter experts across our business. Additionally, our Scope 1, Scope 2 and Scope 3 business travel greenhouse gas (GHG) emissions for the years ended December 31, 2023 and December 31, 2019 was independently assured by PricewaterhouseCoopers LLP (PwC) through performing a limited assurance engagement. The results of PwC's limited assurance engagement are documented in an assurance statement made available in the appendix of this report.

## Share your feedback

Do you have any comments, questions or queries about Fidelity Canada's sustainability reporting? Email our team at [corporatesustainability@fidelity.ca](mailto:corporatesustainability@fidelity.ca).

<sup>1</sup> The scope of this report includes practices and activities related to the assets managed by FIC's investment management team; it does not consider the operations and policies of our global network of subadvisors. FIC engages a global network of subadvisors in providing its services and managing its products, including Fidelity Management & Research Company (FMR Co., Inc.), Fidelity Institutional Asset Management (FIAM LLC), Fidelity Management & Research (Canada) ULC (FMR-Canada), Fidelity International Limited (FIL) and Geode Capital Management LLC.

# About Fidelity Canada

FIC and FCC are collectively known as “Fidelity Canada”, one of the Canada's largest providers of financial services. Fidelity Canada’s purpose is to help build better financial futures for investors.

Fidelity Canada oversees \$294.7 billion in assets under management (AUM) and assets under administration (AUA) as at December 31, 2023.

In 2023, Fidelity Canada had a record-breaking year in terms of its growth as a business and its number of employees. We are constantly investing in the future of our business by focusing on our people, whose hard work and energy continue to make Fidelity Canada a leading financial services provider and a top employer.

## Values and culture

Our values, behaviours and guiding principles are the bedrock upon which our company’s culture and business practices are built, and they govern how we conduct our business:

### Core values:

- Integrity: Do the right thing, every time and put the client first.
- Trust: Empower each other to take the initiative and make good decisions.

### Behaviours:

- Brave: Challenging the status quo, being accountable and speaking up.
- Bold: Acting with conviction, encouraging diverse thinking and keeping things simple.
- Curious: Aspiring to do new things in better ways and encouraging fresh thinking.
- Compassionate: Having empathy and caring for colleagues, our clients, and the community.

### Guiding principles:

- Commitment: We commit to a standard of excellence in everything that we do.
- Partnership: Empowered to create mutual benefits with colleagues, clients and suppliers.
- Balance: Focused on both short-term results and long-term sustainability in what we do, such as balancing personal time and activities with important strategy initiatives.

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## Fidelity Investments Canada ULC

FIC offers investors and institutions a range of innovative and trusted investment portfolios to help them reach their financial and life goals.

As a privately owned company, we commit our people and world-class resources to doing what is right for investors. Our clients have entrusted us with \$222.2 billion in assets under management as at December 31, 2023, and they include individuals, financial advisors, pension plans, endowments, foundations, financial institutions and more.

We provide investors a full range of investment solutions through mutual funds, exchange-traded funds, pooled funds and institutional separate accounts, including domestic, international, and global equity and income-oriented strategies, asset allocation solutions, managed portfolios, sustainable investing strategies, alternative strategies, digital assets strategies and our high-net worth programs. Fidelity Funds are available through a number of advice-based retail distribution channels and institutional distribution channels.

Harnessing investment research capabilities from around the world, FIC, together with Fidelity Management Research and Fidelity International, headquartered in Boston and London, respectively, is seeking to deliver strong investment returns and exceptional experiences for clients.

## Fidelity Clearing Canada ULC

FCC is a leader in trade execution, custody, back-office support and platform solutions. Our clients include portfolio managers and registered brokerage firms who have entrusted FCC with \$72.5 billion in assets under administration as at December 31, 2023.

FCC is Canada's first entity regulated by the Canadian Investment Regulatory Organization (CIRO) to offer a digital currency trading and custody solution dedicated to institutional investors, including mutual funds and exchange-traded funds.

uniFide™ is FCC's dedicated client platform that allows clients to access all the FCC services they need, anywhere, at any time. uniFide™ transforms, simplifies, and streamlines the way our clients work, in the office, away from their office and with their clients.



## A message from our leadership

It is my pleasure to present you with Fidelity Canada's inaugural 2023 sustainability report. This report marks a significant milestone in our journey towards a more sustainable future as it is the first of its kind for our Canadian business. Our commitment to sustainability reflects our core values and our dedication to creating a positive impact on the world around us.

Enclosed below, you will find a comprehensive overview of our new sustainability strategy including key focus areas, initiatives, recent achievements and future goals.

Fidelity Canada views sustainability as a journey, and while we've made great strides, it is important to note there is still a long road ahead. This road is filled with opportunities to create long-term value for our clients, employees, and the communities we serve, and we look forward to uncovering possibilities and keeping our stakeholders informed along the way.

In 2023, we completed our first stakeholder materiality exercise. This exercise involved engaging with critical business stakeholders including clients, investors, employees, community partners, and suppliers, and asking them which sustainability topics are most important to them, and which have the most material impact on our businesses. The insights gained from this comprehensive engagement have been invaluable. They have provided us with a clearer understanding of the priorities and concerns of our stakeholders helping us shape a sustainability strategy that we believe is both relevant and impactful.

Building on our company purpose of helping build better financial futures for Canadian investors, our sustainability vision is to contribute to a more sustainable future for our clients, employees, and other stakeholders by being a trusted, people-centered business that drives innovation. This vision is the cornerstone of our sustainability strategy, designed to address the most pressing challenges of our time while seizing the opportunities sustainability presents.

Our sustainability strategy comprises three core pillars: improving financial well-being, enabling sustainable decisions, and strengthening communities and our workplace. These pillars are supported by our foundational pillar of operating as a business with integrity and accountability. Each of these pillars represents a key area where we believe we can make a significant difference.

Improving financial well-being is about more than just providing financial products and services. It is about empowering our clients and communities to achieve their financial goals through innovative technology, education and a best-in-class customer experience.

Enabling sustainable decisions involves offering choice and a diverse range of products and solutions that seek to deliver strong returns and long-term value. This pillar also focuses on employing responsible procurement practices and striving towards net-zero business operations by 2050.

Strengthening communities and our workplace is about creating a positive impact on our local community members and employees. This work is carried out through our charitable endeavors with regional, provincial and national organizations and cultivating a diverse, equitable and inclusive environment where employees can realize their full potential and thrive.

Lastly, operating as a business with integrity and accountability is the foundation of our sustainability strategy. These principles touch every pillar, every focus area and every daily action taken by Fidelity employees. We are proud to hold ourselves accountable to the highest standards of governance and performance to ensure we are managing risk effectively and creating positive outcomes along the way.

We are excited about the opportunities that lie ahead in the sustainability space and look forward to continued engagement with our stakeholders. Thank you to all for your ongoing support.

**Andrew D. Wells**  
Head of Canada, Fidelity Canada



## Take 5 with Brock Dunlop, VP Corporate Sustainability

### **Talk to us about the importance of corporate sustainability more broadly. Why is it important for firms to help create a more sustainable future for the next generation?**

Societies and our ecological systems are incredibly complicated and interconnected, yet unique based on one's geography. Creating a more sustainable future requires coordinated efforts on various fronts - from individuals, business, governments and organizations.

For organizations like Fidelity, it is important to understand your enterprises' role within these systems and how to balance the short and long-term needs of stakeholders including contributing to a more sustainable future.

Having dedicated sustainability professionals within an enterprise helps keep focus on this important area amongst the company and its stakeholders as the organization pursues its strategy.



## **What is one key message you'd like to drive home to people who are not familiar with sustainability at Fidelity?**

Just as trust and integrity have been key components in how we have operated our business in Canada to support Canadian investors in building a better future and helping them to stay ahead, so too can it be a guiding light on our journey towards becoming a more sustainable business.

In other words, Fidelity takes a holistic approach to sustainability. And that's because our strategy is powered by our company purpose. As we continue to deliver on our purpose, we are simultaneously moving our sustainability journey forward. I think it's important to note the two go hand-in-hand.

## **In the context of financial services, what is a top sustainability issue that keeps you up at night?**

I'd say making sure we are responsive to the needs of our investors and helping them achieve their goals and build their financial futures, while also ensuring we introduce sustainability measures that contribute to the progress we need to make as a society on these important matters.

## **What does success look like for Fidelity in the area of sustainability?**

In my view, success is maintaining dialogue amongst our stakeholders, be they institutional or retail clients, employees, suppliers, community partners, among many others, to ensure they are aware of our approach to sustainability and are comfortable with the path that we are on.

Sustainability is a long-term commitment, and ensuring this ongoing dialogue allows us to adapt and align our strategies with changing expectations or potential challenges.

## **What's next for Fidelity's sustainability journey?**

For many organizations around the world a key focal point of sustainability is on reducing the amount of carbon generated by a given activity; in this regard Fidelity Canada is no different.

One of our primary priorities presently is to take the findings from our recently completed greenhouse gas inventory and translate that into an actionable plan that helps us lower the impact of our business operations on the environment.

We have a team focused on this area and are working hard to identify realistic strategies that will help us reduce the amount of carbon generated by our business operations.

Outside of this, internally we are focused on continuing to socialize our sustainability strategy with employees and increasing knowledge around our core pillars and how our employees work is contributing to the firm's success in each of these areas.

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 and Corporate Sustainability (formerly, VP of Institutional Distribution).

# Our approach to sustainability

At Fidelity Canada, we are known for taking a long-term view with our plans instead of focusing solely on short-term results – and this is the same approach we are taking with our sustainability journey.

## Stakeholder engagement

In 2023, we completed our first stakeholder materiality exercise. This exercise involved engaging with critical business stakeholders including clients, investors, employees, community partners and suppliers, and asking them which sustainability topics are most important to them and which have the most impact on our businesses. We leveraged the results from this assessment to inform our sustainability strategy.

## Our sustainability vision

Building on our company purpose of helping build better financial futures for investors, our sustainability vision is to contribute to a more sustainable future for our clients, employees and other stakeholders by being a trusted, people-centred business that drives innovation.

## Our strategic and foundational pillars

Our sustainability strategy comprises three core pillars – improving financial well-being, enabling sustainable decisions and strengthening communities and our workplace – and is supported by our foundational pillar of operating as a business with integrity and accountability.

**Here is an overview of what we're aiming to achieve with our sustainability pillars:**

Improving financial well-being	Enabling sustainable decisions	Strengthening communities and our workplace
<p>Help our clients and wider communities achieve and protect their financial goals with innovative technology, education, and product and service excellence.</p> <p>Strategic focus areas: digital experience, financial protection, financial wellness</p>	<p>Offer choice and a diverse range of products and solutions that seek to deliver strong returns and long-term value, and from an enterprise perspective employ responsible procurement practices and strive for net-zero operations by 2050.</p> <p>Strategic focus areas: environmental impact, responsible supply chain, stewardship and engagement, sustainable products</p>	<p>Collaborate with employees to enhance local communities through charitable activities and cultivate a diverse, equitable and inclusive work environment that empowers individuals and makes Fidelity a great place to work.</p> <p>Strategic focus areas: career vitality; corporate giving and volunteering; diversity equity and inclusion; employee wellness</p>
<p><b>Operating as a business with integrity and accountability</b></p>		
<p>Leverage sound business ethics, operate with transparency, comply with laws and regulations, align with industry best practices and actively manage risk. Foundational focus areas: governance, risk management, business ethics, enterprise resiliency.</p>		



## Operating as a business with integrity and accountability

### Governance

We believe that good governance is a critical foundation of a successful corporate culture that earns trust from and builds value for clients, employees and other stakeholders. We critically evaluate our governance practices and standards to ensure that we run our operations and make business decisions in a transparent, sound and ethical manner that is in full compliance with laws and regulations in all the jurisdictions in which we operate.

### Board oversight

As noted, Fidelity Canada comprises of two businesses: FIC and FCC. The board of directors of each of FIC and FCC are responsible for providing oversight on the operations of the respective business, including risk management. In 2023, Fidelity Canada continued to develop and formalize a governance framework for the specific oversight of sustainability-related risks and opportunities.

### Executive oversight

The Fidelity Canada Executive Team (FCET) is the principal governing body within Fidelity Canada with oversight of sustainability. The FCET is comprised of the most senior leaders at FIC and FCC and the Head of Fidelity Canada. The FCET meets bi-weekly to

- set and monitor the strategic direction of Fidelity Canada's business units in support of our corporate goals; and
- provide guidance on business and operations.

### Management committee oversight

The Corporate Sustainability Committee (CSC) is chaired by our Vice President, Corporate Sustainability, and reports to the FCET. Members of the CSC include relevant senior leaders from across the organization with functional responsibility for, or significant involvement in, Fidelity's environmental or social footprint and corporate governance.

The committee meets every month, and more often as required. The CSC's mandate is to:

- develop and maintain a clear, ambitious, and realistic corporate sustainability strategy for Fidelity Canada;
- with assistance from the Corporate Sustainability team, establish sustainability goals, initiatives and metrics and implement a comprehensive policy in this area;
- oversee the assessment and management of sustainability related activities with respect to Fidelity Canada as a business; and
- provide support, as needed, to FIC's sustainable investing activities.

### **Investment management**

FIC leverages the sustainable investing resources of our affiliate organization Fidelity International Limited (FIL). FIL's sustainable investing team works closely with FIC's investment management team and plays a key role in supporting the implementation of FIC's sustainable investing approach.

FIC's Responsible Investment Policy is brought to FIC's Fund Operations Oversight Committee and the Fund Oversight Committee, a subcommittee of the FIC board, for review and approval. The Chief Investment Officer (CIO) of FIC is responsible for adherence to FIC's Responsible Investment Policy.

The following FIC and FIL individuals or teams are also responsible for implementing various aspects of our sustainable investing approach into the investment research process:

- The Directors of Research are responsible for the implementation of our proprietary ESG ratings coverage at both FIC and FIL.
- For ESG-focused funds, the Head of Investment Risk and Portfolio Oversight at FIC is responsible for analyzing, reviewing and discussing the aggregate ESG exposures within each portfolio with the individual portfolio managers and the CIO on a quarterly basis, as part of the quarterly investment reviews for each fund advised by FIC.



## Risk management

### Fidelity Canada's approach to risk management

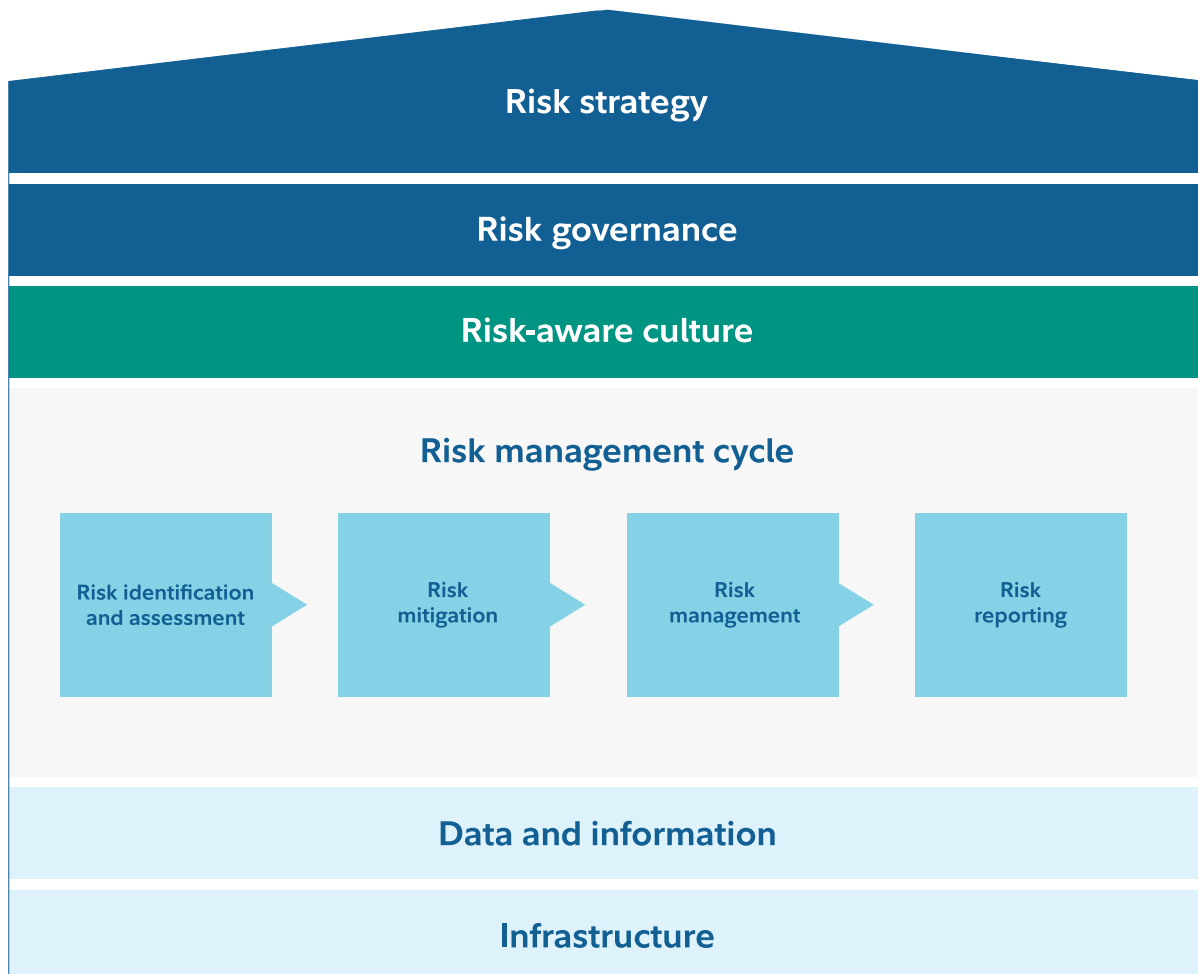
Fidelity Canada takes a holistic approach to managing risk. This approach is designed to help identify risks, potential events and trends that might have a significant effect on Fidelity Canada's ability to meet strategic goals and carry out operations. Fidelity Canada has established guiding principles for the management of different risk types, defined roles and responsibilities of key stakeholders, and defined governance and escalation pathways.

Fidelity Canada seeks to ensure that effective risk management is embedded in all core operating and decision-making processes across the organization,

and that existing and emerging risks are identified and managed within acceptable risk tolerances.

Fidelity Canada's risk management is supplemented by a risk appetite framework which includes risk appetite statements and related metrics which reflect the aggregated level of risk that the organization is willing to assume or tolerate in order to achieve business objectives.

The diagram below reflects the core elements of Fidelity Canada's risk management.



## Integration of sustainability into Fidelity Canada's overall risk management

Fidelity Canada has identified sustainability risk as an "emerging risk" that includes greenwashing, sustainability-related commitments and sustainability-related regulations. Each quarter, the Corporate Sustainability team works with business leads to monitor these risks and reports any findings to the Fidelity Canada Risk Management team.

## ESG Risk Working Group

The ESG Risk Working Group comprises of Fidelity Canada's risk experts, including representatives from Fidelity Investments Canada Risk Management, Investment Management, Fidelity Clearing Canada Risk Management, and Corporate Sustainability. The Working Group's mandate is to

- develop risk management coverage specific to sustainability-related matters;
- develop and integrate data tools, and capabilities to support disclosure, risk identification and monitoring for sustainability-related risks; and
- identify required actions and resources to integrate sustainability-specific variables into risk management and oversight mechanisms.

## ESG Risk Framework and ESG Risk Library

In 2023, the Working Group and key stakeholders allocated resources to initiate the development of an ESG Risk Framework. The Framework will set out Fidelity Canada's approach to the management of ESG risks via a series of guiding principles, methodologies, and control requirements to enhance the existing risk management infrastructure. As an initial step, the Working Group began to develop an ESG Risk Library, designed to catalogue all potential ESG risks relevant to the industries in which Fidelity Canada operates. The library's primary objective is to support Fidelity Canada's business units in identifying material sustainability risks.

This library is being developed in alignment with the following inputs, tools and processes and is continually updated with potential or new emerging risks to reflect the evolving sustainability risk landscape:

- results from Fidelity Canada's stakeholder materiality assessment;
- FIL's risk taxonomy;
- discussions with management across Fidelity Canada's business units; and
- industry best practices and sustainability risk standards.



## Business ethics

Fidelity Canada's core values of integrity and trust hold employees accountable to do the right thing, put clients first, and empower each other to take the initiative to make good decisions. In support of these core values, Fidelity Canada has well-established ethics and whistleblower programs.

### Code of Ethics

Employees must never place their personal interests ahead of the interests of Fidelity's clients, including shareholders of the Fidelity Funds. This means never taking unfair advantage of their relationship to the Funds or Fidelity in attempting to benefit themselves or another party. It also means avoiding any actual or potential conflicts of interest with the Funds or Fidelity when managing their personal investments.

Employees are required to follow both in spirit and the letter of the rules outlined in the Code of Ethics; any activity that compromises Fidelity's integrity, even if it does not expressly violate a rule, has the potential to harm.

### Whistleblower program

The purpose of this program is to safeguard the integrity of Fidelity Canada's financial reporting and business dealings, and Fidelity Canada's reputation for integrity and honesty. This program provides channels that allow for the reporting of concerns about potential unethical business practices. Unethical business practices may include conduct that may violate laws, regulations and internal policies, standards or procedures.

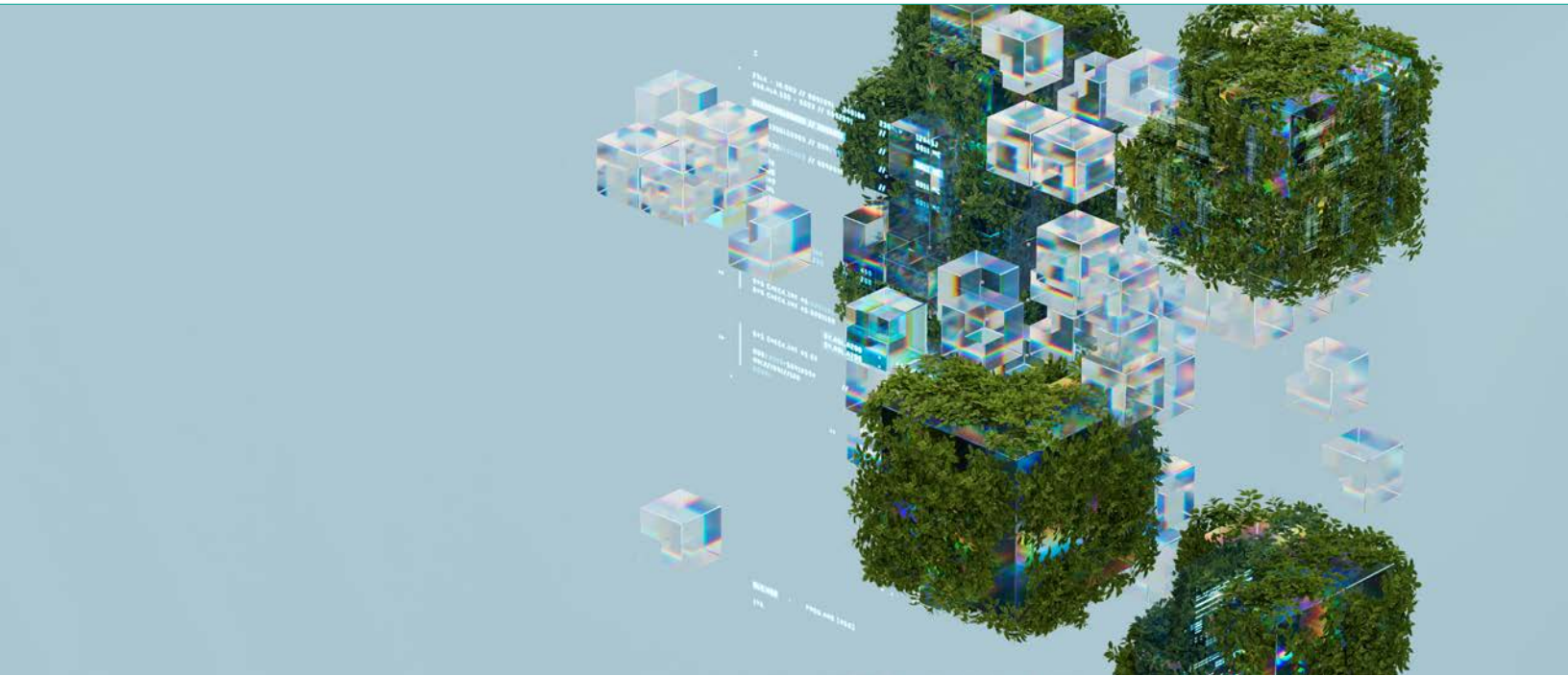
Employees are required to complete employee conduct training, which includes familiarization with the Code of Ethics and the whistleblower program. In 2023, 100% of our employees successfully completed this training.

## Enterprise resiliency

At Fidelity Canada, significant resources including staff, time, facilities and equipment, are dedicated to managing our Business Continuity Program (BCP) and addressing the needs of our clients. This program allows us to continue to provide the full spectrum of financial services in the event of an incident affecting operational functions, applications, networks, and/or building sites. Our goal is to provide uninterrupted service and, in so doing, to ensure that our clients' interests are protected.

Fidelity Canada recognizes the responsibility we have to our clients. We have implemented a BCP with a strong governance model and commitment from senior management. The program's primary objectives are to meet the needs of our clients, maintain the well-being and safety of our employees and meet our regulatory obligations. The planning process is risk based and involves understanding and prioritizing critical operations across the firm, anticipating probable events and proactively developing strategies to mitigate the impact of those events.

Fidelity Canada BCP plans are tested regularly to ensure they are effective should an actual event occur. These plans are reviewed no less than annually to ensure the appropriate updates are made to account for operations, technology and regulatory changes. Fidelity Canada's Enterprise Resiliency team has created multiple playbooks to address various BCP event scenarios that are reviewed annually.



## Our strategic pillars

### Improving financial well-being

#### Digital experience

**Aspiration statement:** Leverage digital tools and technology to deliver an innovative, effortless and client-centric experience.

Offering a digital experience to our clients plays an important role in our sustainability strategy, as we see a growing demand from clients, heightened by the COVID-19 pandemic, for a more digital experience.

Fidelity Canada uses diverse digital platforms to enhance the experience throughout the investment process for our clients. Through an agile approach focused on continuous improvement, we aim to innovate and deliver an exceptional multi-channel digital experience, fostering stronger client relationships.

#### Engaging financial advisors and other clients

In 2023, we partnered with Environics Research to conduct our fourth annual digital experience study. This study obtained opinions from financial advisors on how they would rate their investment managers' digital services, and the results from this study provided insights that fed into our "Go digital" strategy. We were pleased to see that FIC received the highest rating for digital services among Canadian investment manufacturers for the fourth year in a row.

Across our other lines of business, we leverage regular surveys and interviews to understand our clients' experience and any areas for improvement.



## Financial protection

**Aspiration statement:** Aim to protect client assets through technology, processes, and product and service excellence.

Earning the trust of our stakeholders is very important to Fidelity Canada. We aim to protect the investments and information of our clients, employees and investors through data protection, cyber security and responsible selling and marketing practices.

## Information security

The goal of Fidelity Canada's information security program is to protect the confidentiality, integrity and availability of Fidelity Canada's information resources through appropriate security measures and controls. These security measures and controls include enterprise and business-unit level technology controls as well as various enterprise-wide processes.

Key components of Fidelity Canada's information security program are summarized below:

Enterprise-wide information security processes	Information security technology controls
<ul style="list-style-type: none"><li>• Information security management process that identifies, analyzes, mitigates, and monitors risks to critical information assets.</li><li>• Enterprise wide information security training and awareness.</li><li>• Centrally managed process to ensure that information systems have appropriate information security controls and secure development.</li><li>• Integrated process for reporting and managing information security-related incidents.</li><li>• Centrally managed procedures to manage access to IT systems.</li><li>• Benchmarks and metrics to evaluate the program's effectiveness and compliance.</li><li>• An Enterprise Vendor Risk Management Program that validates security controls of Fidelity Canada's trusted partners.</li><li>• Dedicated cyber defence operations.</li><li>• An information security policy and standards program that ensures policies are reviewed and updated on an annual basis.</li></ul>	<ul style="list-style-type: none"><li>• Extensive physical and environmental security controls.</li><li>• Network firewalls and intrusion detection/ protection systems.</li><li>• Website and email spam filtering.</li><li>• Data loss prevention.</li><li>• Malware and virus protection.</li><li>• Application code scanning and penetration testing.</li></ul>

## Training and awareness

Employee training and awareness are key to Fidelity Canada's cybersecurity program, because protective measures could be rendered ineffective if employees lack cyber-security awareness. Current training programs required for all Fidelity Canada employees include

- electronic communication, social media and systems usage policy training,
- information protection training
- social engineering training,
- new hire security awareness sessions; and
- monthly local and quarterly global phishing tests.

Current training programs required for select employees include secure software development training, required for all software developers and software quality assurance staff.

## Data protection

Fidelity Canada has a privacy policy that is based on the following principles



### Transparency

We aim to provide you with a clear understanding of the personal information we collect, why and how that information is used and how we protect your personal information.



### Choice

You have the ability to make your own choices about the information you share with us, how it's used and when it should be updated, unless otherwise mandated by law. Where appropriate, we'll obtain your written consent to collect, use or disclose personal information.



### Accountability

We're committed to protecting your privacy. Our privacy practices take into consideration legal and privacy notice requirements and how you may ask questions about the way your information is used.



### Limiting collection

The personal information we collect, use or disclose is limited to only what's necessary.



### Access and correction

We're committed to maintaining accurate and complete personal information. You may request access to your personal information and make corrections.



### Safeguarding

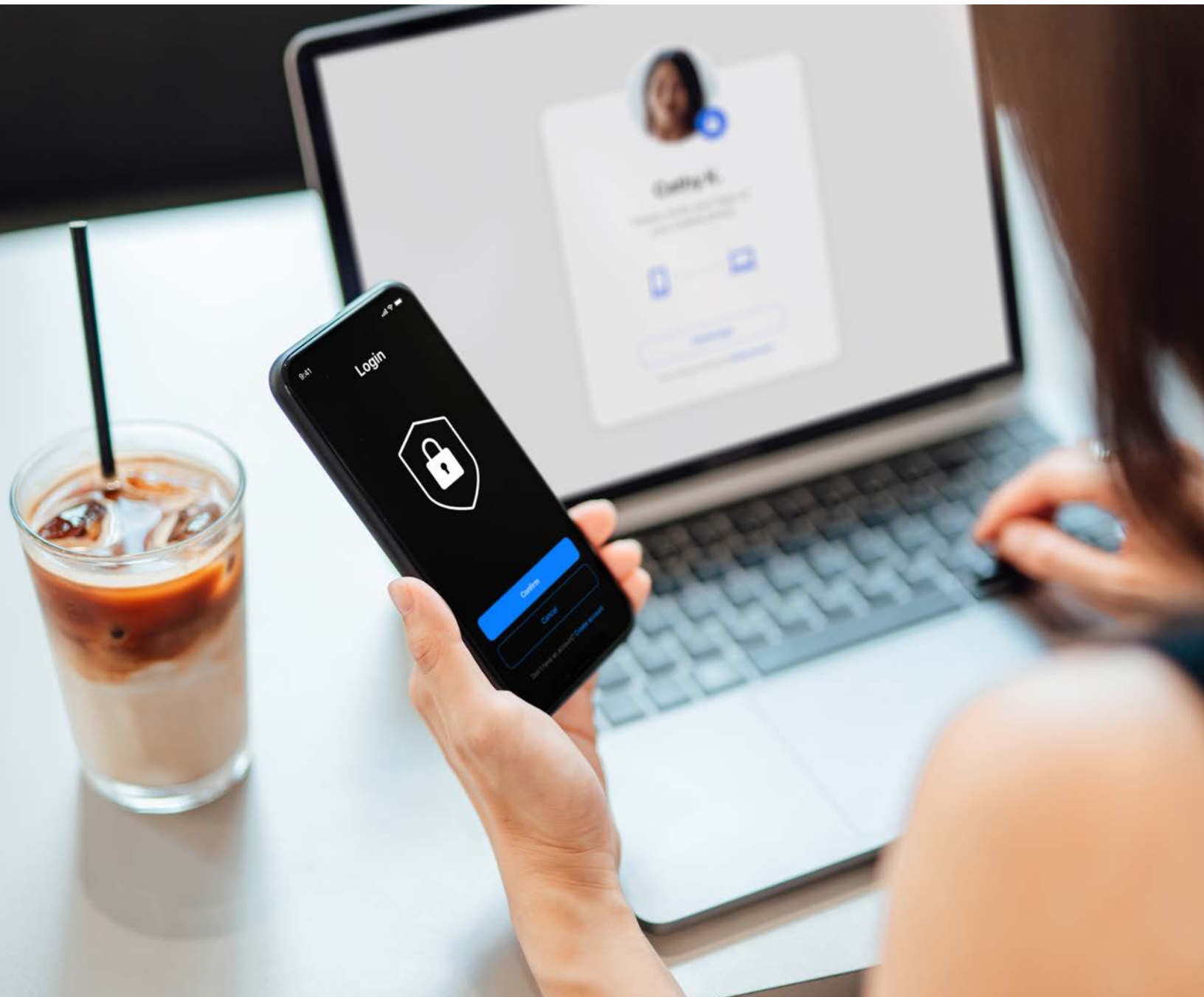
Your personal information is protected by appropriate safeguards to maintain its confidentiality.

However, please note that no system is ever completely secure.

## Responsible selling and marketing

Fidelity Canada sales communications are subject to a range of legal rules and regulations, and Fidelity Canada's internal policies. These laws and policies restrict the form, content, and many other aspects of these sales communications.

Sales communications that are developed or sponsored by Fidelity Canada must fully comply with all legal requirements and internal policies. These internal policies include Fidelity Canada's Sales Communications Guidelines, which was developed to assist those involved in the preparation and review of sales communications, with ensuring compliance with the applicable policies.



## Financial wellness

**Aspiration statement:** From their first dollar to dream retirement, meet Canadians where they are and empower them to achieve financial literacy and reach their goals.

Investors are increasingly interested in understanding their investments through a digital-first approach, favouring online platforms and forms of digital media over traditional mediums. Our clients are also demonstrating a growing preference for obtaining insights directly from subject-matter experts and portfolio managers. To achieve this, we offer a diverse range of free and accessible resources to help Canadians prepare themselves with the financial knowledge they need to make informed decisions to achieve their goals.

### Meeting Canadians where they are

Canadians have diverse investing goals and learning preferences. Fidelity Canada aims to meet Canadians where they are by providing a diverse range of resources, including:

- Online investor guides: Our online investor guides are focused on topics that include the First Home Savings Account (FHSA), eliminating debt, retirement, RESPs, navigating volatile markets and more.
- The Upside: Our investor webcasts feature special guests, portfolio managers, and subject-matter experts. This webcast is designed to help investors prepare for their financial futures and to focus on mental and physical well-being. In 2023, we produced 194 of these webcasts.
- Reddit AMAs: On Fidelity Canada's Reddit, we feature subject matter experts in scheduled Ask Me Anything (AMA) events. These Reddit sessions and content posts have addressed investment literacy, retirement planning, recruitment, workplace culture and career-related questions. In 2023, we hosted 9 Reddit AMAs.

- Fidelity Private Wealth: Fidelity Canada has launched its own private wealth business in partnership with financial advisors. Fidelity Private Wealth is a total wealth solution that offers high net-worth individuals and their families one-stop service for investment management and financial planning, cash-flow analysis, tax and estate planning services and more.
- Investly: In 2023, Fidelity Canada prepared for the launch of Investly, Fidelity Canada's first mobile investing app. Investly is all about investing done simply, through a mobile-first experience that includes educational resources and access to investment funds, all supported by the strength and scale of Fidelity Canada. Targeted primarily at investors under 35, but available to investors of all ages and experience levels, Investly helps investors build long-term wealth and smart financial habits.

### Financial advisors and institutional investors

- FidelityConnects: Our daily live and interactive webcasts provide financial advisors information on trending issues from Fidelity's subject-matter experts. Certain webcasts are also accredited for earning continuing education (CE) credits. The majority of these webcasts are converted into podcasts for on-demand listening. In 2023, we produced 286 of these webcasts.
- FidelityCompass: Our portfolio managers and subject-matter experts discuss market trends and investment perspectives and share strategic insights relevant to institutional investors. The majority of these webcasts are made available for replay for prospects, clients and consultants, and they are distributed to subscribers of webcast email communications. In 2023, we produced 24 of these webcasts.

- FOCUS and VISION hybrid events: Fidelity's hybrid FOCUS and VISION events provide insights directly from our investment experts and provide an inside look at how Fidelity's investment process and global research network operate.
- FidelityNow: Our weekly video series features our portfolio managers and subject-matter experts in two to three minute videos. These videos are used to highlight fund launch initiatives, FOCUS and VISION events, thought leadership and the latest sector insights. These videos are included in dedicated financial advisor campaigns as well as Fidelity Canada's LinkedIn, YouTube and Instagram channels. In 2023 we produced 50 videos, in both English and French.

### Young Investors

- Money Gains: To promote financial wellness at an early age, we developed Money Gains, a series of educational videos, targeted to students in high-school and beyond, that explore the basic principles of investing. Subjects covered included goal setting, compound interest and risk tolerance. The videos simplify concepts and demonstrate the value of investing at an early age. They are available on YouTube, in both English and French. During 2023, we created 20 of these videos<sup>2</sup>.

- FidelityNext: We offer a regular live webcast for students across Canada that covers various topics to help guide them through their early careers and ensure they are aware of the opportunities available to them. Episodes are aired as LinkedIn Live events and are converted into podcasts for on-demand listening. In 2023, we produced 24 of these webcasts.

### Retirees and pre-retirees

- Retirement report: In 2023, we released the 18<sup>th</sup> edition of our annual Fidelity retirement report. This report provides insights into the attitudes and behaviours of Canadian pre-retirees and retirees. The report is intended to help Canadians feel better prepared as they navigate their path to, or in, retirement.
- Online resources: Additional resources on retirement, including retirement planning, investment accounts and retirement readiness are available on Fidelity's website.

<sup>2</sup> Ten videos in French, ten in English.

## Enabling sustainable decisions

### Environmental impact

**Aspiration statement:** Minimize our carbon footprint and strive to reduce operational emissions to become a net-zero organization by 2050.

#### Our climate strategy for corporate operations

At Fidelity Canada, we strive to better understand and improve our impact on the climate. In 2023, we continued to calculate and analyze the GHG emissions from our operations, covering Scopes 1, 2 and 3.<sup>3</sup> Additionally, we made the decision to strive for net-zero operations by 2050 and began to develop interim targets to achieve this aspiration. This absolute target is further defined in the Metrics and Targets section of this report.

We also focused on educating and engaging employees, from our co-op students to our executive team, on various climate-related matters:

1. During April we hosted an “Earth Week” for employees that included an in-office clothing drive to promote circularity of clothing and a webinar on how to adopt an eco-friendly lifestyle.
2. For executives and senior leaders, we developed a series of briefing sessions drawing upon internal and external subject matter experts. These briefing sessions covered topics such as sustainability trends in the asset management industry, climate ambition, carbon accounting and carbon market practices.

3. As part of our fall student program, we hosted a design-thinking style workshop focused on ideas to decarbonize Fidelity Canada’s business travel.

For 2024, we are focused on advancing our decarbonization efforts, including hiring a full-time employee dedicated to Fidelity Canada’s operational decarbonization and related activities, and continuing to engage and educate employees through internal events and volunteer opportunities with charitable organizations.

#### Climate-related financial disclosures

In 2023, we released our inaugural climate-related financial disclosures report, aligned with the recommendations established by the TCFD. This report highlighted our 2022 efforts to identify and address climate-related risks and opportunities throughout our business. The 2023 update on these disclosures can be found in the appendix of this report.

<sup>3</sup> Scope 3 categories: waste generated in operations, purchased goods and services, capital goods and business travel.

## Responsible supply chain

**Aspiration statement:** Strive to generate benefits for Fidelity Canada and more broadly by incorporating sustainability criteria in our procurement practices and supplier management.

The business practices of our suppliers play an important role in the overall operations of Fidelity Canada, and our clients, employees and other stakeholders expect us to operate responsibly. The first step on this journey is to develop transparency with our suppliers as we move toward building a more responsible supply chain. In 2023, we began to assess our approach to engaging suppliers to share in our commitment to sustainability, and have plans to initiate our approach in 2024, including onboarding a supplier sustainability ratings platform.



## Sustainable products, stewardship and engagement

**Aspiration statement (sustainable products):** Meet investors where they are on sustainability by offering choice and a diverse range of products and solutions.

**Aspiration statement (stewardship and engagement):** Engage with investee companies to encourage addressing risks and opportunities that are material to their long-term value.

### Fidelity Investments Canada's sustainable investing strategy

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

At FIC, our sustainable investing approach has five elements:

1. **ESG research:** Material ESG factors serve as one of many research inputs in security valuation. FIC 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. FIC 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:** FIC'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, FIC is committed to offering and developing a broad range of sustainable investment solutions to meet their aspirations and financial needs.
5. **Collaboration:** FIC 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, FIC 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.



## FIC's sustainable investment offerings

FIC offers a range of solutions for retail investors.

Fidelity Sustainable World ETF and ETF Fund	Fidelity Women's Leadership Fund	Fidelity Climate Leadership Funds
<p>Sustainable investing approach: ESG integration, best-in-class screening and exclusionary screening.</p> <p>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.</p>	<p>Sustainable investing approach: ESG integration and thematic investing.</p> <p>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.</p>	<p>Sustainable investing approach: ESG integration and thematic investing.</p> <p>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.</p>

For more information on FIC's sustainable investing practices, check out our [2023 Sustainable investing report](#).



## Strengthening communities and our workplace

### Career vitality

**Aspiration statement:** Attract, retain and inspire employees to realize their potential.

At Fidelity Canada, we believe that excellence attracts excellence, and offering learning and development opportunities to all employees plays an important role in retaining talent and enabling employees to realize their potential. We believe in an experience-driven framework: 70% experiences and assignments; 20% developmental relationships; 10% training. This developmental model offers employees the chance to develop new skills and gain important experience by taking on secondments and participating in projects or committees, or in our mentorship program.

#### MyDevelopment learning portal

Our MyDevelopment learning and development portal allows employees to be the drivers of their development, with access to 14,000+ career-enhancing resources, including videos, online courses, articles, books and magazines. As an added feature, the more our employees use and search materials to complete their training, the more the portal will recommend complementary courses. In 2023, getAbstract was added to our learning catalogue; it offers more than 25,000 summaries, including books, videos, articles etc. Udeemy was also added, bringing in a full suite of business and technology courses and certifications for those interested in upskilling or reskilling.

#### Training budget and tuition reimbursement

Fidelity Canada's centralized training budget is an investment in our employee's success, fostering a skilled and motivated workforce. This enables employees to participate in training, national and international conferences, and high-impact programs.

Fidelity Canada offers tuition reimbursement to provide employees the opportunity to pursue a designation from an institution that helps expand their skills and support their professional goals. Employees pursue courses such as the Investment

Management Techniques, Portfolio Management Techniques and Canadian Securities Courses, as well as courses toward an MBA and the Chartered Financial Analyst (CFA) designation.

#### 4Growth development model

Ongoing development to help employees achieve their career aspirations is a priority for Fidelity Canada. 4Growth is a talent mapping model based on the belief that employees are responsible for driving their own careers and enhancing their skills and knowledge. It provides employees and managers a platform to have honest and transparent conversations. Managers and employees meet quarterly to discuss career aspirations and specific development actions agreed upon for the year. Managers also provide feedback to help employees track progress of their development goals throughout the year. All 4Growth placement and development action information is housed and reported. These data help Fidelity Canada predict talent needs, understand skills gaps and continue to provide the best development experiences for employees.

#### MentorMatch

Employee forums are a great way to gather ideas that are top of mind for our employees. One of these ideas led to the establishment of MentorMatch, an initiative that connects employees to mentors for professional guidance, advice and feedback. Employees can choose to be a mentor, a protege, or both.

## Executive coaching

Members of Fidelity Canada's Human Resources department, in partnership with external vendors, provide one-on-one career coaching to executives that targets their needs, professional growth and development. Executive coaching is offered to new vice presidents to help them in their new role. Coaching is an integral part of the work that people managers do, so they are supported with one-on-one coaching to improve their skills through different coaching platforms.

## Student program

Fidelity Canada's student program offers valuable educational experiences to post-secondary co-op students, including training, networking, job shadowing and touch points with senior leaders throughout the term. To ensure a breadth of experience, students returning for subsequent co-op terms become part of our rotational program, working with different teams and departments than in their previous terms. We provide hands-on work experience, extensive professional training, networking opportunities, and opportunities to learn about financial markets and Fidelity Canada's products and services.

## Secondments

Secondments allow employees to assume different roles for a specific time period (generally three to fourteen months). This introduces them to new work experiences within the company and offers exposure to different teams and departments and financial rewards, and often leads to company-wide growth.

## Peer network groups

Our manager and director peer network groups allow our managers and directors to regularly discuss a variety of job and industry relevant topics and participate in unique learning opportunities. Learning opportunities include interactions with subject-matter experts, knowledge sharing and guest speakers from Fidelity Canada's executive teams.



## Corporate giving and volunteering

**Aspiration statement:** Leverage our human, intellectual and financial resources to give back to the communities in which we work and live to build a diverse, inclusive and sustainable future for everyone.



# Fidelity Cares Charitable Giving

Fidelity Canada strives to give back to the communities in which we work and live. Working with partners who are aligned with our core values and sustainability goals, we leverage our human, intellectual and financial resources to advance causes that improve the well-being of Canadians.

We encourage our senior executive team to embody Fidelity Canada's community support and inclusive outlook, and inspire employees to do the same. Here are the pillars we use to guide our corporate giving efforts:

<b>Environment</b>	<b>Diversity, equity and inclusion</b>
Support charitable initiatives that improve the environment for future generations.	Employ equitable and inclusive giving practices that positively affect diverse communities.
<b>Talent and culture</b>	<b>Community partner</b>
Foster a culture of giving and volunteerism to enhance employee and stakeholder engagement.	Build relationships with trusted organizations to better understand and enhance community health and social well-being.

### Fidelity Cares Charitable Giving Committee

In 2022, Fidelity Canada established the Fidelity Cares Charitable Giving Committee, with employee representation from across the organization. The committee partners with organizations that advance and improve the well-being of Canadians and align with Fidelity Canada's values, corporate giving pillars and the committee's six areas of impact:

- education
- community support
- arts and culture
- environment
- health services
- social services

### Charitable Donations

In 2023, Fidelity Canada and its employee networks collectively donated \$4.7 million to charities that work toward enhancing education, community support, arts and culture, the environment and health and social services.

### Employee volunteerism

We are pleased to offer employees two paid volunteer days to allow them to work for the charity of their choice in their preferred community. In 2023, our employees spent 1,684 hours volunteering. In addition, we offer a Premier Volunteer Grant Program, which allows Fidelity's premier volunteers the opportunity to direct a \$150 grant to a qualifying

not-for-profit charitable organization of their choice. Employees who volunteer for three or more events, or two causes totaling ten or more hours, are eligible for our Premier Volunteer Grant Program.

### Key partnerships

2023 marks the 21<sup>st</sup> anniversary of Fidelity Canada's partnership with BGC Canada. Since 2022, we've been working together to provide a range of academic and experiential initiatives and activities for children and youth in support of education and life-long learning.

For more than 15 years, Fidelity Canada has been proudly fundraising for United Way to help positively affect local communities across Canada. One of the most significant employee-giving successes at Fidelity Canada is the annual United Way online auction. The funds raised will provide housing, food, mental health support and after-school programs for those in need. Fidelity Canada has been recognized as a "local leader" for these efforts.

For the past ten years, employees have been donating gifts to the CP24 CHUM Christmas Wish Foundation at our annual holiday party.

Members of our leadership team collect the toys and gifts from employees as they enter the party, and they are later picked up from the event venue.

During Earth Week in 2023, Fidelity Canada contributed to New Circles Community Services' Gently Loved Outfits to Wear (GLOW) program by collecting new and gently used clothing for children and adults in need.

Members of the Fidelity Canada Institutional team attended the 6th Annual International Women's Day luncheon, honouring generous donations for Dress for Success Toronto. The focus of the organization is empowering women to achieve economic independence with a network of support, professional attire and development tools to help women thrive.

In 2023, Fidelity Canada's Toronto office organized a holiday hamper donation drive for Nellie's, a women's shelter and outreach program. Employees collected new and unused toiletries, gifts and packaged treats and arranged delivery to their downtown office to help with distribution.

## Diversity, equity and inclusion

**Aspiration statement:** At Fidelity Canada, we foster an inclusive environment where unique talents and perspectives are celebrated, respected, and valued. We are committed to making a positive difference to the lives of our diverse clients, employees, and communities as we help Canadians build better financial futures.

At Fidelity Canada, we believe that diversity, equity and inclusion (DEI) is an essential part of our success and integral to our mission of fostering innovation, enhancing employee engagement, and driving sustainable growth. Our commitment to DEI is a cornerstone of our sustainability strategy, reflecting our dedication to creating a positive impact both within our organization and in the communities we serve.

### Current state and achievements

We have made significant strides in advancing our DEI initiatives over the past year. Our current workforce reflects a broad range of backgrounds and experiences, as noted in our latest diversity data survey report, which had a 79% response rate. The results showed 62% of our employees identifying as BIPOC (Black, Indigenous, and People of Color). Women represent 48% of survey respondents, demonstrating our commitment to gender diversity. We are also dedicated to supporting employees with disabilities, with 18% of our respondents reporting one or more disabilities. Lastly, 6% of our survey participants identify as LGBTQ2S+, underscoring our inclusive environment for sexual orientation and gender identity.

Fidelity Canada has received various awards and accolades recognizing our dedication to diversity and inclusion:

### 2023 awards and accolades

- 2023 HRD 5-Star Diversity Equity and Inclusion Employers: For outstanding commitment to fostering diversity.
- 2023 Best Workplaces for Inclusion: Celebrating an environment where diverse talents thrive.
- 2023 TalentEgg Special Award for Diversity and Inclusion in Recruiting: For excellence in inclusive recruitment practices.
- Finalist of Benefits Canada DEI Program Award: Acknowledging strategic DEI initiatives.
- Best Workplaces for Women 2023: Recognized by Great Place to Work Canada for supporting women's advancement.
- HRD Best Places to Work Certified: Exemplifying our commitment to employee well-being and culture.
- Canada's Top Family-Friendly Employer 2023: For our policies that are supportive of families and work-life balance.
- Top Employers for Young People 2023: For initiatives targeting young professionals' development.

## Community partnerships

Fidelity Canada maintains strategic DEI partnerships, both within and beyond our industry. These collaborations provide access to DEI best practices and research, as well as opportunities to support diverse communities. Additionally, our partners provide a variety of resources and training materials that aid in developing the skills essential for creating an inclusive workplace. A few examples include:

**Holland Bloorview Kids Rehabilitation Hospital:** Fidelity Canada supports Holland Bloorview Kids Rehabilitation Hospital, Canada's largest children's rehabilitation hospital. We benefit from their support of our disability inclusion efforts and anti-ableism awareness efforts.

**BlackNorth Initiative:** Fidelity Canada is a proud signatory of the BlackNorth Initiative pledge, which commits us to end anti-Black systemic racism and to create opportunities for underrepresented groups at the firm.

**Canadian Centre for Diversity and Inclusion (CCDI):** CCDI shares Fidelity Canada's goal of celebrating diversity and difference with a model that blends social impact and proven business tactics for inclusive work environments that mobilize the potential of individuals – and of teams.

**Pride at Work:** We work with Pride at Work to create a safer, more inclusive workplace that recognizes the skills of 2SLGBTQ+ people.

**Egale Canada:** We partner with Egale to improve the lives of 2SLGBTQ+ people in Canada by informing public policy, inspiring cultural change, and promoting human rights and inclusion through research, education, awareness and legal advocacy.

**Catalyst:** We are partnering with Catalyst to build a workplace that helps accelerate progress for women through workplace inclusion.

**Onyx Initiative:** We are partners with the Onyx Initiative to help close the systemic gap in recruiting and selecting Black university and college students and recent graduates for roles in corporate Canada. Our goal is to expand our Black talent pipeline.

**Indigenous Works:** We are partnering with Indigenous Works to broaden our knowledge and awareness of Indigenous inclusion best practices, helping us meaningfully attract and retain Indigenous talent and strengthen our community engagement.

**BGC Canada:** Fidelity Canada supports BGC and its learning and career development programs that allow young people to strengthen and acquire new skills, test their abilities, and enhance their career readiness.

**Junior Achievement:** Fidelity Canada supports Junior Achievement's mission to inspire and prepare young people to succeed in a global economy.

Our achievements and partnerships are a testament to our ongoing efforts to create a workplace where everyone feels valued and included. We are committed to continual improvement and will continue fostering a culture that embraces diversity and promotes employee equity.

## Employee wellness

**Aspiration statement:** Cultivate a workplace culture where employee wellness thrives holistically, integrating physical, mental, emotional and financial well-being.

At Fidelity Canada, employee well-being matters to us. When employees are at their best, so are we. That is why we will do all we can to take care of employee health and well-being. We continuously enhance our health and wellness benefits and strive to provide our employees with the best possible coverage plan in the marketplace. Below is an overview of the benefits, programs and resources we offer to employees:

**Your mind:**

Psychologist, financial support, counseling, coaching and stress management.

**Your body:**

Doctors and occupational therapist, medical checks and health fitness programs.

**Your spaces:**

Collaboration space, technology and IT support and working from home.

**Your support:**

Employee and family assistance program, family friendly policies, unpaid leave and community involvement and volunteering.







## Metrics and targets

In 2023, we began to evaluate and determine appropriate metrics and targets to measure our performance in relation to the strategic aspirations statements established in our sustainability strategy. Below are the metrics we have identified so far based on data quality and availability. We will continue to evaluate metrics and targets that we can use to effectively monitor our progress.

### Improving financial well-being

#### Digital experience: Engaging financial advisors and other clients

Fidelity Canada partners with Environics Research to conduct an annual digital experience study. This study obtains the opinions from financial advisors on how they would rate their investment managers' digital services, and the results from this study provides insights that feed into our Go digital strategy.

#### Financial wellness: Canadians reached with webcasts and podcasts

Unique viewership is used to assess the breadth of reach our webcasts generate. Due to the way podcasts and student webcasts are consumed, Fidelity cannot track unique viewership. Therefore, total views and downloads are used as proxy for these.

Focus area	Focus area	2023 result
Digital experience	Advisor digital experience ranking <sup>4</sup>	1
Financial wellness	Total unique webcast viewers (The Upside) <sup>5</sup>	2,264
	Total unique webcast viewers (FidelityCompass) <sup>6</sup>	229
	Total unique webcast viewers (FidelityConnects) <sup>7</sup>	10,639
	Total podcast downloads <sup>8</sup>	264,076
	Total student webcast views <sup>9</sup>	4,947

<sup>4</sup> This is the ranking that FIC received in the 2023 Environics Advisor Digital Experience survey. This study surveyed 810 CRO advisors nationally in 2023. Advisor were asked to rank the digital services of a list of investment manufacturers from 1-10.

<sup>5</sup> Number of unique individuals who attended at least one The Upside webcast during the reporting year.

<sup>6</sup> Number of unique individuals who attended at least one FidelityCompass webcast during the reporting year.

<sup>7</sup> Number of unique individuals who attended at least one FidelityConnects webcast during the reporting year.

<sup>8</sup> Total Fidelity podcast downloads during the reporting year.

<sup>9</sup> Total social media views on FidelityNext webcasts during the reporting year.

## Enabling sustainable decisions

### Environmental impact: GHG emissions from operations

In 2023, Fidelity Canada decided to strive for net-zero operations by 2050. Net-zero GHG emissions are defined as gross GHG emissions minus any planned offsetting efforts (for example, planned use of carbon credits to offset GHG emissions). This target is informed by the Paris Agreement, and applies to Fidelity Canada's Scope 1 and Scope 2 GHG emissions and a portion of Fidelity Canada's Scope 3 emissions. Scope 3 emissions categories applied to this target are: waste generated in operations, capital goods, purchased goods and services, business travel, employee commute and teleworking. This target does not apply to FIC's Scope 3 financed emissions (category 15). To measure our progress towards this target, we monitor gross Scope 1, 2 and 3 emissions, using a baseline year of 2019. We have selected 2019 as the baseline year, as this was the last completed fiscal year prior to the COVID-19 pandemic, and to align with global efforts from our peers and affiliates related to collecting GHG emissions inventory and establishing targets.

As seen in the table below, Fidelity Canada's 2023 GHG emissions from operations increased by 3% compared with the 2022 reporting year. Most of this increase is attributable to Scope 3 purchased goods and services. As we leverage the spend-based approach for calculating GHG emissions from purchased goods and services, any increase in our spending on external suppliers and service providers will have corresponding increase in GHG emissions. We are striving to improve how we measure our GHG emissions from purchased goods and services to implement an effective decarbonization strategy.

Also contributing to the increase in emissions compared with 2022 was Scope 3 business travel, due to increased air travel; our client-facing teams have increased in-person interactions since establishing a hybrid business model in 2022. Compared to our baseline year, our GHG emissions have decreased by 8%. This is largely driven by the hybrid working model that was established in 2022 as a result of the COVID-19 pandemic.

## Fidelity Canada GHG emissions from operations<sup>10</sup> for the years ended December 2023, 2022 and 2019

Emissions source	Category	2023		2022 restated <sup>11</sup>		2019 baseline restated <sup>12</sup>
		Emissions (tCO <sub>2</sub> e)	Change against baseline year (%)	Emissions (tCO <sub>2</sub> e)	Change against baseline year (%)	Emissions (tCO <sub>2</sub> e)
Scope 1 <sup>13</sup>	Natural gas <sup>14</sup>	100	(56)%	209	(7)%	225
	Diesel <sup>15</sup>	10	(57)%	14	(39)%	23
	Refrigerants <sup>16</sup>					
	Total Scope 1	◆ 110	(56)%	223	(10)%	◆ 248
Scope 2 <sup>17</sup>	Electricity (location-based)	89	(30)%	99	(23)%	128
	Total Scope 2	◆ 89	(30)%	99	(23)%	◆ 128
Scope 3	Purchased goods and services <sup>18</sup>	13,710	7%	12,366	(4)%	12,834
	Capital goods <sup>19</sup>	484	(78)%	1,667	(25)%	2,208
	Business travel <sup>20</sup>	◆ 1,165	(26)%	689	(56)%	◆ 1,564
	Waste	12	(57)%	42	50%	28
	Total Scope 3	15,371	(8)%	14,764	(11)%	16,634
Total emissions (Scope 1, 2, and 3)		15,570	(8)%	15,086	(11)%	17,010

◆ Indicates metrics that have been independently assured by PricewaterhouseCoopers LLP (PwC) through a limited assurance engagement. The results of PwC's limited assurance engagement are documented in an assurance statement made available in the appendix of this report.

10 Fidelity Canada has calculated GHG emissions in accordance with the Greenhouse Gas Protocol, using the operational control approach. This approach was selected because Fidelity Canada comprises of two separate legal entities, FIC and FCC. Scope 1 and Scope 2 emissions are reported along with emissions from the following upstream Scope 3 categories: waste generated in operations, purchased goods and services, capital goods, and business travel. The operational boundary captures all physical locations of operation for FIC and FCC, which consists of five offices: one headquarter office and one satellite office in Toronto, Ontario, and three regional offices, located in Vancouver, British Columbia, Calgary, Alberta, and Montreal, Quebec.

All relevant emission sources within the inventory boundary have been accounted for. Scope 3, category 7, employee commuting and teleworking, was omitted from disclosure given the significant reliance on proxy data and assumptions in our calculations. Scope 3, category 15 financed emissions was omitted from disclosure, Fidelity Canada is working on a calculation approach in accordance with Partnership for Carbon Accounting Financials.

For all categories, GHG emissions are calculated by multiplying the source activity data by the relevant CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O emission factors specific to the activity, emissions source and often the geography in which the emissions occur. To convert these emissions into a common factor (tCO<sub>2</sub>e), global warming potential factors were applied, retrieved from the U.S. EPA Emissions Factors Hub for Greenhouse Gas Inventories.

11 2022 results have been restated from prior year due to the following factors: 1) obtaining more accurate activity data for purchased goods and services and capital goods, 2) reporting capital goods as a separate line item, as it was previously reported on the same line as purchased goods and services and 3) using updated emission factors from the National Inventory Report for electricity. The corrected figures amount to a (12)% decrease in total emissions.

12 There are certain situations which require a base year recalculation. These situations include the following: 1) structural changes in the organization; 2) changes in calculation methodology or improvement in accuracy of emission factors or activity data; and 3) discovery of errors that would have a significant impact on the emissions. If any of the above situations occurs, either individually or combined, the base year will be recalculated provided the change exceeds 5% of the total associated scope category emissions.

Baseline results have been restated from prior year due to the following factors: 1) obtaining more accurate activity data for purchased goods and services and capital goods and 2) reporting capital goods as a separate line item, as it was previously reported on the same line as purchased goods and services. The corrected figure amounts to a (6)% decrease in overall scope 3 emissions.

13 Scope 1 GHG emissions are Fidelity Canada's direct sources of stationary combustion and fugitive GHG emissions.

14 The emissions for CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O were calculated by multiplying the activity data in m<sup>3</sup> by their respective emission factor obtained from the 2023 Canadian National Inventory Report.

15 The emissions for CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O were calculated by multiplying the activity data in litres by their respective emission factors taken from the 2023 Canadian National Inventory Report.

16 The simplified material balance method was used to calculate GHG emissions from refrigeration, leveraging the methodology from U.S. EPA direct fugitive emissions from refrigeration, air conditioning, fire suppression, and industrial gases and emission factors from U.S. EPA Emissions Factors Hub.

17 Scope 2 GHG emissions are from Fidelity Canada's purchased electricity, using the location-based approach. The emissions from CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O were calculated by multiplying the activity data in kWh by their respective emission factor from the 2023 Canadian National Inventory report.

18 Scope 3 purchased goods and services emissions are calculated using the spend-based approach. Spend data is applied to the respective emission factor based on the US EP Supply Chain emissions factors to calculate the emissions in tCO<sub>2</sub>e.

19 Scope 3 capital goods emissions are calculated using the spend-based approach. Spend data is applied to the respective emission factor based on the US EP Supply Chain emissions factors to calculate the emissions in tCO<sub>2</sub>e.

20 Emissions from air travel are calculated by multiplying the activity data in miles by their respective emission factors taken from the GHG Protocol Cross Sector Tools for Emission Factors. CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O emissions from car travel were calculated by multiplying the activity data in miles by their respective emission factor from the 2023 Canadian National Inventory report. Emissions from train travel is calculated using the spend-based approach using emission factors from the U.S. EPA Supply Chain emission factors.

## Strengthening communities and our workplace

### Career vitality: Average training spend

Fidelity Canada's centralized training budget is an investment in our employees' success. We use average training spend per employee as a measure to monitor its use to ensure that employees are participating in training, conferences and high-impact programs that contribute to their success.

### Corporate giving and volunteering: Volunteer hours and charitable donations

The Charitable Giving Committee monitors Fidelity Canada's annual charitable donations to measure our impact on charities that work toward enhancing education, community support, arts and culture, the environment and health and social services. Additionally, total employee volunteer hours are monitored to measure employee's use of paid volunteer days.

### Diversity equity and inclusion: Fidelity & Me survey results

Fidelity Canada uses a voluntary employee survey called Fidelity & Me. The survey participation rate, as well as the results from the survey, help us understand the broad range of backgrounds and experiences of our workforce.

Focus area	Metric name	2023 result
Career vitality	Average training spend per employee <sup>21</sup>	\$1,172
Corporate giving and volunteering	Total annual charitable donations <sup>22</sup>	\$4,666,956
	Employee volunteer hours <sup>23</sup>	1,684
Diversity, equity and inclusion	Fidelity & Me participation rate <sup>24</sup>	79%
	Employees with varying abilities <sup>25</sup>	18%
	Employee gender diversity: Women <sup>26</sup>	48%
	Employee gender diversity: Men <sup>27</sup>	50%
	Employee group diversity: BIPOC <sup>28</sup>	62%
	Employee group diversity: Caucasian <sup>29</sup>	36%

21 Metric is calculated by dividing Fidelity Canada's annual spend on employee training by the average number of full-time employees. Figures are based on the 2023 fiscal year and presented in CAD.

22 Metric is calculated by taking the total sum of Fidelity Canada's charitable donations during the 2023 fiscal year, presented in CAD.

23 Number of employee volunteer hours during the reporting year from employee volunteer days, Fidelity-sponsored volunteer hours, and volunteer hours for Fidelity-led initiatives.

24 Participation rate is calculated by dividing the number of survey respondents by the total number of employees.

25 Percentage of employees with varying abilities is calculated by dividing the number of survey respondents who identified as having varying abilities by the total number of survey respondents.

26 Measured using the results of the optional Fidelity & Me survey. Number of survey participants who identified as a woman divided by the total number of survey participants.

27 Measured using the results of the optional Fidelity & Me survey. Number of survey participants who identified as a man divided by the total number of survey participants.

28 Measured using the results of the optional Fidelity & Me survey. Number of survey participants who identified as BIPOC (black, indigenous and people of colour) divided by the total number of survey participants.

29 Measured using the results of the optional Fidelity & Me survey. Number of survey participants who identified as Caucasian divided by the total number of survey participants.

## Operating as a business with integrity and accountability

### Business ethics: Employee conduct training

Fidelity Canada monitors each employee's successful completion of the mandatory employee conduct training, to ensure that employees are equipped to comply with the Code of Ethics and the whistleblower program.

Focus area	Metric name	2023 result
Business ethics	Percentage of employees who completed employee conduct training <sup>30</sup>	100%

<sup>30</sup> Percentage is calculated by dividing the total number of employees who completed the employee conduct training during the reporting year by the total number of employees required to complete the training.





# Appendix

## TCFD index

TCFD Pillar	2023 Update
<p><b>Governance:</b> Disclose the organization's governance around climate-related risks and opportunities.</p>	<p>Refer to page 11 for information on Fidelity Canada's sustainability-related governance.</p>
<p><b>Strategy:</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning, where such information is material.</p>	<p>Climate-related risks and opportunities</p> <p>Fidelity Canada believes understanding the impacts of climate change is important to creating long-term value for stakeholders. While we are still at the early stages of our journey, we are committed to better understanding the impact of climate-related risks and opportunities on our strategy and financial planning. Our approach to identifying climate-related risks and opportunities is grounded in the belief that they may be financially material. When this is the case, this is relevant to our long-term business performance - as well as to client's long-term financial returns.</p> <p>Fidelity Canada's primary exposure to climate-related risk is indirect, with such risk most likely to affect future revenues and expenses (rather than assets and liabilities). This is because the assets that FIC manages and FCC holds in custody belong to our clients, not Fidelity.</p> <p>Fidelity Canada's offices may be affected by challenging physical climate events, which we would consider to be a direct financial impact on Fidelity. Currently, we deem this potential impact from physical risk to be limited and low, because we lease all our facilities and our sites are evaluated for physical risks during the selection process and monitored on an ongoing basis. As climate patterns shift, we will continue to assess the physical risks that could affect our Canadian offices, considering the specific vulnerabilities of each location. Fidelity Canada, through its global affiliates, maintains adequate insurance, which helps to mitigate financial loss due to the impact of physical climate risks (e.g., severe weather events). Fidelity Canada also maintains enterprise resiliency plans to facilitate the continuation of business in the event of a business disruption, which includes disruptions related to physical climate risks.</p> <p>As we shift to a low-carbon economy, climate-related risks and opportunities will materialize over short-, medium- and long-term time horizons. The following provides an overview of some potential risks and opportunities that Fidelity Canada has identified across its business operations, investment management and clearing and custody activities, as well as their potential effects on our financial performance.</p> <p>Short-term transitional risks (&lt; 5 years): Strategic misalignment with climate adaptation and non-compliance with or lack of readiness for climate-related regulation could result in increased operating costs and regulatory fines.</p> <p>Medium-term transitional risks (5-10 years): Increased carbon tax on energy and utility costs at office sites could result in increased operating costs. Unsuccessful investment in or adoption of new climate-related technologies could result in increased operating costs and or operational disruptions. Increased client concern related to the carbon footprint of products and services, could lead to an increase in client redemptions. Impacts of transitional risks on market factors such as equity prices, commodity prices, and credit spreads, affecting the value of AUM and client outcomes could result in lower revenues.</p> <p>Long-term transitional risks (&gt; 10 years): Failure to achieve targeted GHG emissions reduction due to ineffective decarbonization strategies, technological limitations and or external factors, could result in an increase in operational costs.</p> <p>Short-term opportunities (&lt;5 years): Effective GHG emissions control and reduction could result in increased resource efficiency, resilience and, cost savings.</p> <p>Medium-term opportunities (5-10 years): Continued shifts in investment market and consumer preferences that increase demand for options that prioritize decarbonization, could provide Fidelity Canada access to new markets.</p> <p>For more information on Fidelity Canada's operational climate strategy, refer to page 22 of this report. For more information on Fidelity Canada's sustainable investing practices, refer to page 24 of this report or Fidelity Investment Canada's 2023 sustainable investing report.</p>

TCFD Pillar	2023 Update
<b>Risk management:</b> Disclose how the organization identifies, assesses and manages climate-related risks.	Refer to page 13 for information on Fidelity Canada's sustainability-related risk management.
<b>Metrics and targets:</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.	Refer to page 34 for information on Fidelity Canada's sustainability-related metrics and targets.

## SASB index

Asset management and custody activities standard

Topic	Code	SASB metric	2023 disclosure
<b>Activity metrics</b>	FN-AC-000.A	Total assets under management (AUM)	Page 5
	FN-AC-270.B	Total assets under custody and supervision	Page 5
<b>Transparent information and fair advice for customers</b>	FN-AC-270a.3	Description of approach to informing customers about products and services	Page 19
<b>Employee Diversity &amp; Inclusion</b>	FN-AC-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	Page 36
<b>Incorporation of Environmental, Social, and Governance Factors in Investment Management and Advisory</b>	FN-AC-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies	Page 24
	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	Page 24
<b>Business Ethics</b>	FN-AC-510a.2	Description of whistleblower policies and procedures	Page 15

## Subsequent events

FIC and FCC are indirect, wholly owned subsidiaries of 483A Bay Street Holdings LP, whose general partner is 483A Bay Street Holdings Management LLC ( the JV). The board of the JV (JV Board) provides strategic oversight to Fidelity Canada. After 2023, the JV Board Audit and Risk Committee terms of reference were updated to incorporate oversight of sustainability.





**Independent practitioner’s limited assurance report on select performance metrics as presented within the 2023 Fidelity Canada Sustainability Report.**

**To the Audit and Risk Committee of the Board of Directors of 483A Bay Street Holdings Management LLC, in its capacity as providing strategic oversight of sustainability at Fidelity Canada.**

We have undertaken a limited assurance engagement on the select performance metrics of Fidelity Canada (comprised of Fidelity Investments Canada ULC and Fidelity Clearing Canada ULC) included in Appendix 1 (the subject matter, hereafter referred to as the select performance metrics) as presented within the 2023 Fidelity Canada Sustainability Report (the Report) for the baseline year ended December 31, 2019 and for the year ended December 31, 2023.

**Fidelity Canada’s responsibility for the select performance metrics**

Fidelity Canada is responsible for preparation of the select performance metrics in accordance with the criteria established in Appendix 1 (the applicable criteria) and as detailed within the Report.

Fidelity Canada is also responsible for the design, implementation and maintenance of internal control relevant to the preparation of the select performance metrics that is free from material misstatement, whether due to fraud or error.

**Our independence and quality management**

We have complied with independence and other ethical requirements of the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Our responsibility**

Our responsibility is to express a limited assurance conclusion on the select performance metrics based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3410, *Assurance Engagements on Greenhouse Gas Statements* issued by the Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the select performance metrics are free from material misstatement.

A limited assurance engagement undertaken in accordance with CSAE 3410 involves assessing the suitability in the circumstances of Fidelity Canada's use of the applicable criteria as the basis for the preparation of the select performance metrics, assessing the risks of material misstatement of the select performance metrics whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the select performance metrics. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of management to obtain an understanding of the overall governance and internal control environment relevant to the management, aggregation, and reporting of the select performance metrics;
- performed analytical reviews over the select performance metrics;
- assessed consistency and accuracy of calculation methodologies and emission factors used against the applicable criteria;
- performed limited substantive testing by agreeing and testing the underlying data related to the select performance metrics on a sample basis; and
- reviewed the disclosure and presentation of the select performance metrics in the 2023 Fidelity Canada Sustainability Report to ensure consistency with our understanding and procedures.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Fidelity Canada's select performance metrics have been prepared, in all material respects, in accordance with the applicable criteria applied as explained in Appendix 1 to the select performance metrics.

### **Significant inherent limitations**

Non-financial data is subject to more limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

GHG emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

### **Limited assurance conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Fidelity Canada's select performance metrics for the baseline year ended December 31, 2019, and for the year ended December 31, 2023 are not prepared, in all material respects, in accordance with the applicable criteria.

## Purpose of select performance metrics and restriction on use of our report

The select performance metrics have been prepared in accordance with the applicable criteria to report Fidelity Canada's select performance metrics and for no other purpose. As a result, the select performance metrics may not be suitable for another purpose. Our report is intended solely for Fidelity Canada.

We neither assume nor accept any responsibility or liability to any third party in respect of this report.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Toronto, Ontario

November 28, 2024

## **PricewaterhouseCoopers LLP**

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

## Appendix 1

### Select performance metrics and criteria

Select performance metrics	Value (tonnes of CO <sub>2</sub> e)	Criteria	Organizational boundary
Scope 1 GHG Emissions for the year ended December 31, 2019	248	The Greenhouse Gas Protocol	Total enterprise <sup>31</sup>
Scope 1 GHG Emissions for the year ended December 31, 2023	110	The Greenhouse Gas Protocol	Total enterprise <sup>31</sup>
Scope 2 GHG Emissions for the year ended December 31, 2019	128	The Greenhouse Gas Protocol	Total enterprise <sup>31</sup>
Scope 2 GHG Emissions for the year ended December 31, 2023	89	The Greenhouse Gas Protocol	Total enterprise <sup>31</sup>
Scope 3 GHG Emissions (business travel) for the year ended December 31, 2019	1,564	The Greenhouse Gas Protocol	Total enterprise <sup>31</sup>
Scope 3 GHG Emissions (business travel) for the year ended December 31, 2023	1,165	The Greenhouse Gas Protocol	Total enterprise <sup>31</sup>

31 Total enterprise refers to Fidelity Canada, which includes the following entities: 'Fidelity Investments Canada ULC' (FIC) and 'Fidelity Clearing Canada' (FCC)



## Legal disclaimer

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