

Fidelity Australia 2024–2025 Joint Modern Slavery Statement

This joint statement ('Statement') has been submitted in accordance with the requirements of section 16 of the Modern Slavery Act 2018 (Cth) ('Act'). The Statement is issued by FIL Investment Management (Australia) Limited ABN 34 006 773 575 ('FIMAL') and FIL Responsible Entity (Australia) Limited ABN 33 148 059 009 ('FREAL'), the latter in its capacity as the responsible entity of the Fidelity Funds that are 'reporting entities' as listed on page 3 ('Fidelity Australia', 'we', 'our'). It describes the approach taken to assess and address the relevant risks and impacts of modern slavery during the 12-month reporting period from 1 July 2024 until 30 June 2025.

Signed by director and board member, David Midolla, on behalf of the Principal Governing Body (the Board) of FIMAL and FREAL, reviewed and approved on 17 December 2025.

Signed

David Midolla

Mandatory criteria	Section	Page number
1 Identify the reporting entity.	Section 1 – Who we are and what we do	3
2 Describe the reporting entity's structure, operations and supply chains.	Section 1 – Who we are and what we do	3
3 Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Section 2 – Assessing and addressing our operations risks; Section 3 – Assessing and addressing our supply-chain (investments) risks	5, 7
4 Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	Section 2 – Assessing and addressing our operations risks; Section 3 – Assessing and addressing our supply-chain (investments) risks	5, 7
5 Describe how the reporting entity assesses the effectiveness of these actions.	Section 4 – Assessing our effectiveness	14
6 Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	Section 1 – Who we are and what we do	3
7 Any other information that the reporting entity, or the entity giving the statement, considers relevant.	Section 3 – Assessing and addressing our supply-chain (investments) risks – case studies	7

A message from the managing director

Fidelity Australia is proud to launch our latest Modern Slavery Statement as a reporting entity under the Act. During the 12-month reporting period following our 2024 statement, we have continued to develop and mature our understanding of modern slavery and our approach to assessing modern slavery risks across Fidelity Australia and shared these learnings with other regions within Fidelity International ('Fidelity'). We recognise the important role played by the financial services sector in modern slavery and human rights impacts. Managing risks can positively impact investment outcomes by strengthening supply chains and we acknowledge our responsibility to identify and mitigate risks to people in our portfolios.

Sustainable investment is an integrated part of our business, and as such, our ESG analysis complements our financial analysis for the companies we research. We do not tolerate modern slavery or human trafficking within our business and take a risk-based approach to managing these risks in our supply chains. Through our ongoing engagement, we aim to encourage better practices amongst our investee companies and suppliers to increase transparency and disclosure regarding supply chain management and initiatives to reduce modern slavery risk to people. In this Statement, we summarise our understanding of our exposure to modern slavery risks to people and the ways we intend to deepen our understanding and actions to mitigate these risks going forward.

Simon Glazier
Managing Director, Australia

1 Who we are and what we do

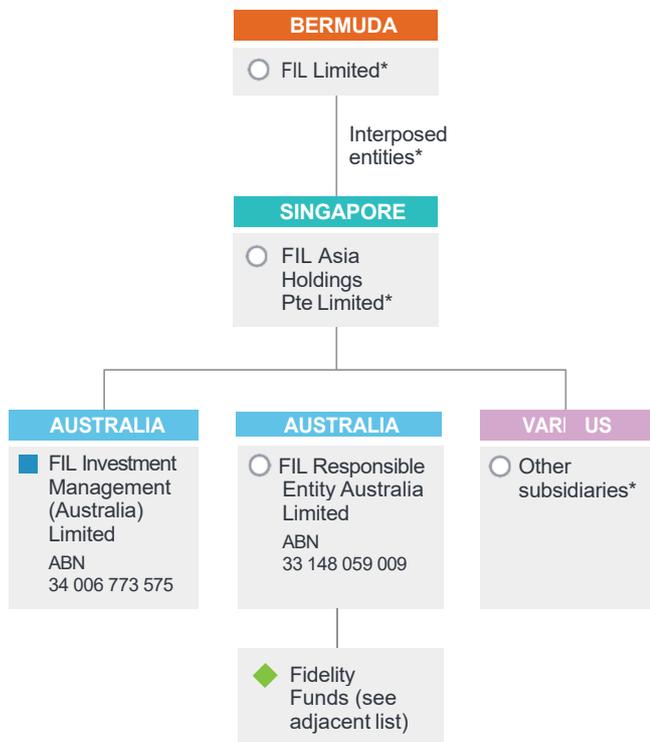
Corporate structure and Fidelity funds

FIMAL and FREAL are both holders of Australian Financial Services Licences (FREAL AFSL No. 409340; FIMAL AFSL No. 237865), with registered address at Level 17, 60 Martin Place, Sydney, NSW 2000, are public companies incorporated in Australia which function as active asset management and investment advisory firms. FIMAL and FREAL are both owned by FIL Asia Holdings Pte. Limited (Singapore) (FAHL), which acts as the parent company for a number of companies within the Fidelity International group of companies (Fidelity) of which FIMAL and FREAL also belong. FIL Limited (Bermuda) serves as the ultimate holding company of Fidelity.

As of 30 June 2025, Fidelity Australia has approximately AU\$16.7 billion in funds under management. Our focus is on delivering sustainable investment returns for our clients, while managing our impact on society and the environment.

FREAL acts as the responsible entity of the following registered managed investment schemes and their unit classes ('Fidelity Funds') currently offered in Australia. FIMAL is appointed as the investment manager of the Fidelity Funds and has the power under the terms of its

appointment to sub-authorise other members of Fidelity to manage some or all the assets of the Fidelity Funds. None of the Fidelity Funds have separate operational activity and function as investment products or funds only. As shown in the diagrams below, the Fidelity Australian Equities Fund, the Fidelity Future Leaders Fund, the Fidelity Global Equities Fund and the Fidelity Asia Fund are the only four (4) Fidelity Funds considered to be reporting entities according to the threshold set out under the Act during this reporting period.



Fidelity Funds

◆	■	Fidelity Asia Fund ARSN 116 072 498
◆	■	Fidelity Australian Equities Fund ARSN 103 420 088
◆		Fidelity Australian High Conviction Fund ARSN 159 055 722
◆		Fidelity China Fund ARSN 116 072 649
◆	■	Fidelity Future Leaders Fund ARSN 164 470 606
◆		Fidelity Global Bond Fund ARSN 670 988 539
◆		Fidelity Research Global Equities Fund† ARSN 160 557 353
◆		Fidelity Global Emerging Markets Fund ARSN 165 837 150
◆	■	Fidelity Global Equities Fund ARSN 093 163 672
◆		Fidelity Global Future Leaders Fund ARSN 641 516 476
◆		Fidelity Hedged Global Equities Fund ARSN 093 163 869
◆		Fidelity India Fund ARSN 093 164 679
◆		Fidelity Japan Equities Fund ARSN 677 502 706
◆		Fidelity Global Long Short Fund ARSN 669 400 515
◆		Fidelity Global Emerging Markets Active ETF (ASX code: FEMX) ARSN 627 296 959
◆		Fidelity Global Future Leaders Active ETF (ASX: FCAP)
◆		Fidelity India Active ETF (ASX: FIIN)
◆		Fidelity Asia Active ETF (ASX: FASI) [^]
◆		Fidelity Australian High Conviction Active ETF (ASX: FHCO)

■ Reporting entity

◆ Fidelity Fund

○ Related non-reporting entity

*Means foreign-operated entities

† Previously known prior to 1 December 2025 as the 'Fidelity Global Demographics Fund'.

[^] Fidelity Asia Active ETF (ASX:FASI) is a quoted unit class of the Fidelity Asia Fund (ARSN 116 072 498), which is a reporting entity.

Consultation in the development of this Statement

Neither FIMAL nor FREAL owns or controls any entities and hence the requirement under the Act to describe the consultation process with any entities owned or controlled by a reporting entity does not apply.

FIMAL actively engaged with FREAL (in its capacity as the responsible entity of the Funds that are reporting entities) in the preparation of this statement. The board of directors of both entities were consulted and engaged in collective discussions regarding the reporting requirements under the Act and the information to be provided in the Statement. Furthermore, the final Statement was tabled at, and approved by, the Board of Directors of both FIMAL and FREAL.

Our business operations and activities

Fidelity Australia conducts its business across three Australian offices, with 80 directly employed staff, as of 30 June 2025, to undertake the following key activities:

- asset management and offering of interests in the trustee funds ('products') listed above under Corporate structure and Fidelity Funds
- portfolio management, investment strategy and advisory services
- wholesale and institutional sales
- marketing of our products
- legal and compliance activities
- corporate communications
- event and sponsorship co-ordination
- management and administration of our Australian office locations
- procurement of goods and services to support our financial service activities
- human resources, and
- IT support.

We also work in collaboration with other entities within Fidelity where relevant to the investment management of the Fidelity Funds in other regions.

Governance

Our corporate governance structure includes a range of policies and procedures with relevance to modern slavery. These policies govern the way we undertake stewardship and shareholder engagement and our investment activity.

These include, for example, our Sustainable Investment Principles, which can be found [here](#).

The Financial Crime Prevention Policy further documents the steps our business should take to assess and mitigate against modern slavery and human trafficking including in the supply chain and with any proposed acquisitions.

The Procurement Policy includes seven key principles and their associated minimum control requirements, which includes that metrics to monitor compliance and progress against the Ethics and Sustainability principles are included in the reporting packs published to various senior management forums.

The Whistleblowing Policy highlights to staff and suppliers how to raise genuine concerns about potential wrongdoing or illegal activities through the independent hotline. The policy also documents the ability to retain anonymity and confidentiality. Legal protections against repercussions or retaliation for raising concerns are also clearly documented. A new standalone category of 'Modern Slavery' was created in 2023 for any activity raised to the whistleblowing line to capture potential incidents of modern slavery in Fidelity's operations or supply chains.

Within the organisation, the Head of Sustainability Solutions lead in Australia has functional accountability for reporting Fidelity's policies, processes and activities in assessment management and remediation for modern slavery risks. This involves close collaboration with the Sustainable Investment team. Specifically, with regards to the investment activity, the Sustainable Investment team work closely with investment analysts and portfolio managers to ensure consideration and management of modern slavery risks.

2 Assessing and addressing our operations risks

Fidelity Australia considers the potential for our operations to cause, contribute, or be linked to modern slavery impacts across multiple risk factors. We assess this according to the cause, contribute, or linked framework set out by the [UN Guiding Principles \(UNGPs\)](#). We have reviewed our operational exposure to modern slavery risks according to this guidance and other external sources to determine our modern slavery risks.² This risk assessment focused on our functional activities and operational spend based on category, industry, and geography, considering risk to people rather than risk to our entity.

What we found and what we are doing

Procured products and services

Our operational risk assessment identified some potential risks connected to our business activities through procured products and services. These risks reflected risks widely known across the financial services sector and are issues many businesses are seeking to address.³ These include:

- cleaning services
- consumer electronics and electronic devices, and
- branded goods: textiles and merchandise.

This risk assessment also considered our proximity (or anticipated proximity) to the potential adverse impacts, to determine the extent to which we may potentially contribute to or be linked to these risks according to the UNGP framework.

During the reporting period, Fidelity continued to strengthen its Responsible Supply Chain programme, which includes monitoring ESG risk and impact management in our supply chain. Fidelity renewed its commitment to ESG risk assessment and monitoring of 90% of its critical suppliers and covering 80% of its annual procurement spend. Fidelity predominantly uses Eco Vadis to achieve these targets, and all new suppliers are requested to be assessed by Eco Vadis. The assessment covers environment, labour and human rights, ethics and sustainable procurement (the suppliers of our suppliers) and includes an assessment on child labour, forced labour and human trafficking practices of suppliers.

Fidelity currently has 64% of critical suppliers rated by Eco Vadis and is covering 75% of annual spend.

The Eco Vadis assessments assist Fidelity for ongoing monitoring and oversight and to address improvement areas identified into corrective action plans for remediation or continuous improvement.

Fidelity has also developed a webpage dedicated to the issue of modern slavery, which can be found [here](#).

Focusing on our internal human rights impacts

Fidelity Australia, as a professional services and investment management group, has very low internal exposure to operational modern slavery risk.³ All our staff are directly employed and are provided with entitlements and conditions that comply with the relevant local legislation and regulations in Australia, with no contracted, subcontracted or base-skilled labour.

We have a Global Talent Acquisition Policy that outlines the standards associated with the attraction, sourcing, selection and hiring of all internal and external candidates. The policy addresses diversity, equity and accessibility to ensure the recruitment process follows the Inclusive Recruitment Principles, as well as anti-bribery and corruption, pre-employment screening and ensuring potential candidates have the right to work in Australia.

Our Global Diversity and Inclusion Policy and Respect in the Workplace Policy emphasises our commitment to having a diverse and inclusive workplace, as well as providing equal opportunities and creating a safe, welcoming, and respectful workplace free from discrimination, harassment (including sexual harassment), victimisation and bullying.

Fidelity Australia has also developed and implemented a Digital Wellbeing Policy which aims to support employees in balancing their work and personal lives and provides best-practice guidance around employee wellbeing, working hours and the use of technology.

² This approach is based on best practice according to the [Official Modern Slavery Act Guidance](#). Research sources for these risk factors includes: [The International Trade Union Confederation Global Rights Index](#), [The Walk Free Foundation Global Slavery Index](#), [ILO Global Estimates of Modern Slavery: Forced labour and forced marriage](#), [The US Department of State Trafficking in Persons Report](#), [The US Department of Labor List of Goods Produced using Child Labour or Forced Labour](#), and the [Verité Research on Risk in 43 Commodities Worldwide](#).

³ As reflected in the [KPMG Financial services and modern slavery guide 2021](#).

To contribute to an environment in our operations that is supportive of and actively promoting human rights, Fidelity Australia strongly upholds the values of diversity and inclusion. We have set objectives, targets, review cycles, and accountability structures to track our ongoing progress to:

- increase and celebrate the diversity of our workforce
- ensure our policies and company culture are inclusive to all sexual orientations and gender identities as a signatory to the UN LGBTIQ+ Standards of Conduct for Business
- uphold accessibility and promote disability inclusion and wellbeing for our employees
- address gender imbalances in both pay and leadership roles, and
- support flexible working arrangements.

Fidelity Australia will continue to monitor workforce and operational risks, as we continue to report under the Act.

3. Assessing and addressing our supply chain (investments) risks

As an investment fund manager, our supply chain consists of our investments and investee supply chains. Investee companies that fail to address modern slavery risks face regulatory sanctions, reputational damage, operational disruptions, and even stranded assets. Legislation such as the Act, the Uyghur Forced Labor Prevention Act (UFLPA) and the UK Modern Slavery Act are reshaping the regulatory environment, increasing compliance costs, and raising the bar for corporate accountability.

We have found through our assessment that modern slavery is prevalent in many high-risk sectors such as agriculture, mining, textiles, and electronics, which form critical parts of global value chains. The economic footprint of forced labour alone is estimated by the ILO (International Labor Organisation) to generate illegal profits of \$150 billion annually.⁴

We believe addressing modern slavery risk is not only a moral obligation but a financially material requirement for safeguarding long-term investment performance.

Fidelity's commitment to and action on modern slavery

Prior to 2020	2021	2022	2023	2024
<ul style="list-style-type: none"> Joined CCLA's 'Find it, Fix it, Prevent it' Founding member of Investors Against Slavery and Trafficking (IAST) APAC Led investor consortium calling for urgent action regarding stranded seafarers during COVID Focused engagement with apparel retail sector in Asia 	<ul style="list-style-type: none"> Introduced proprietary ESG ratings and incorporated focus on worker treatment and supplier management Engagement was expanded to European companies, with particular focus on their supply chains Collaborative letters with IAST APAC to leading Australian listed companies setting out investor expectations 	<ul style="list-style-type: none"> Undertook risk-based analysis of section of portfolios with an external consultant Collaborated with IAST APAC with a submission to the Australian Modern Slavery Act Review Expanded engagement universe beyond retail sector to construction companies 	<ul style="list-style-type: none"> Established Modern Slavery and Supply Chain Resilience as a core thematic engagement topic Developed modern slavery-specific milestones and expectations for best practice Developed an internal modern slavery guidance document for investment team Field trip into the apparel supply chain in Vietnam and Bangladesh 	<ul style="list-style-type: none"> Established portfolio-wide risk assessment approach on modern slavery Developed modern slavery-specific company engagement plans with time-bound asks Client and investment professionals training on modern slavery Hosted RISFD event and monitoring development

⁴ As reflected in the [KPMG Financial services and modern slavery guide 2021](#).

Fidelity's approach to addressing and managing modern slavery risk should be seen through three lenses: (a) as part of our general assessment of ESG issue (proactive and reactive); (b) modern slavery portfolio risk assessments and thematic engagements; (c) as part of our Influence Framework which includes system-level stewardship.

(a) Modern slavery as part of Fidelity's general assessment of ESG issues in investments

Proactive risk management

In terms of proactive management, Fidelity integrates modern slavery considerations in several ways:

■ Proprietary tools and fundamental issuer research

We undertake an in-depth assessment of a substantial proportion of the companies we invest in (over 2,000 companies) using our proprietary ESG ratings. Where considered material, analysts use publicly available information as well as conversations with companies to understand their approach to respecting human rights in their direct workforce and supply chains. Using this information, analysts determine an ESG rating based on their assessment of the company's exposure and management of its risks. This assessment forms a crucial part of our due diligence process and serves as one of the factors that portfolio managers consider when making investment decisions.

For more information on our ESG ratings, please see our Sustainable Investing Principles, a copy of which can be found [here](#).

■ Company engagements

Engagement with companies is key to identifying, mitigating, and remediating ESG risks, including modern slavery-related risks. In 2024, we conducted 377 company engagements in relation to social disparities-related topics, which includes modern slavery and human rights specific engagements. We use our corporate access, research capabilities, and investment scale to encourage our investee companies to address issues like modern slavery and supply chain resilience. We seek to drive positive change through one-on-one dialogue, company meetings, shareholder resolutions, proxy voting, and public policy. We engage with companies directly and we also participate in collaborative engagement initiatives to use our influence to address material sustainability issues that cut across sectors and regions.

■ System-wide engagement to drive structural change

Fidelity takes a system-wide approach by collaborating with policymakers and data providers to advance its objectives related to social disparities, thereby influencing broader systemic change. Below we provide more detail on our system-wide engagement activities.

Reactive risk management

Reactive management involves several strategies to promptly address issues as they arise; these include:

■ Reactive issuer level engagement on controversies

Upon public disclosure of a controversy, depending on the level of severity and materiality, a Fidelity sector analyst will actively engage with the concerned issuer to address the issue at hand. The sustainable investing team will often support these engagements, providing additional context and information for us to better assess the extent of the controversy and determine how well the company is addressing the issue.

■ Quarterly fund reviews with portfolio managers

Fidelity conducts Quarterly Sustainability Reviews (QSR) (this only applies in Australia to Fidelity funds that are defined as Tilt or Target)⁵ where the sustainable investing team flags significant controversies to portfolio managers, ensuring that these issues are consistently monitored and managed. This process complements our sustainable product architecture and is designed to further strengthen the authentic integration of sustainability. The QSR provides a regular and structured forum to discuss key sustainability aspects of the portfolio and its holdings, and considerations of human rights are addressed where relevant in the discussion and analysis, including a review of human rights controversies data.

■ Updates on very severe human rights controversies

Finally, the sustainable investing team provides updates on recent very severe controversies to the investment team, enabling informed responses. This ensures that we have a systematic way to flag human rights-related controversies to portfolio managers and investment analysts which can be incorporated into portfolio investment decisions. Fidelity's commitment to human rights is underscored by its role as a substantial capital allocator, which inherently exposes it to human rights risks. This commitment is integral to protecting individuals from modern slavery, labour exploitation, and human trafficking within its investment activities and business operations.

⁵ Fidelity Global Bond Fund, Fidelity Global Equities Fund, Fidelity Global Future Leaders Fund, Fidelity Hedged Global Equities Fund, Fidelity India Fund, Fidelity Japan Equities Fund, Fidelity Research Global Equities Fund, Fidelity Global Emerging Markets Fund, Fidelity Global Emerging Markets Active ETF, Fidelity Global Future Leaders Active ETF and Fidelity India Active ETF.

Through its dual approach of proactive and reactive management, Fidelity strives to improve real-world outcomes and uphold human rights across its investments. This strategy not only addresses immediate risks but also seeks to influence the broader system to create lasting positive change.

(b) Modern slavery portfolio risk assessments and thematic engagements

Beyond our general ESG assessment, Fidelity adopts a whole-of-portfolio specific assessment to understand exposure to modern slavery risk. This is a risk-based approach to assessing modern slavery exposures across its portfolios, focusing on issuer risk exposure and their risk management strategies. Our annual risk assessment process is a dual-faceted process which involves both top-down risk exposure evaluation and bottom-up risk management analysis, enabling Fidelity to shape its engagement methodology effectively.



We note that many of our investees may not control the sites of risk exposure as these risks occur in their supply chains. We also recognise that modern slavery risks may exist in the supply chains of our holdings in low-risk geographies. However, we will take a risk-based approach that first seeks to engage with investees in known high-risk geographies. We take this into account when assessing social risk as part of our ESG assessments and, where relevant, we will engage investees on their supply-chain governance.

Issuer modern slavery risk exposure



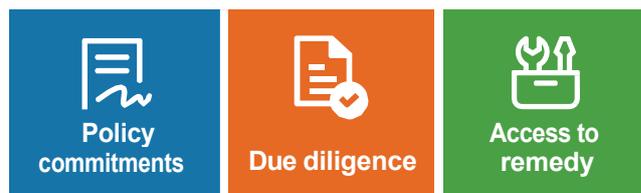
Industry: The issuer risk exposure assessment begins with a comprehensive mapping of high-risk products and services to the corresponding Global Industry Classification Standard (GICS) sector categories. Fidelity analyses its portfolio against a comprehensive list of high-risk sectors, informed by our proprietary ESG ratings, global research, and emerging regulatory frameworks. We conduct a binary assessment of sectors, categorising them into either high-risk or low-risk sectors. In addition, for each sector we determine whether the modern slavery risk lies in their operations or in their supply chains to further enhance our analysis.



Geography is another crucial dimension, where Fidelity utilises Walk Free’s Global Slavery Index list of high-risk countries to ascertain potential material risks within operations or supply chains. Each country’s risk exposure is systematically mapped, allowing for a thorough understanding of company revenue exposure accordingly. Materiality is also assessed by evaluating Fidelity’s level of influence or leverage in engaging with issuers and removing those with minimal exposure or relative holdings.

Issuer modern slavery risk management approach

Following the identification of issuers with potential high-risk exposure to modern slavery, we then undertake an assessment of the issuer’s risk management approach. Fidelity evaluates a company’s commitment and actions concerning modern slavery risks by assessing disclosures and practices across three key modern slavery measures. This evaluation considers both the existence and scope of a company’s modern slavery risk management approach across policy commitments, due diligence processes, and access to remedy.



We utilise a third-party ESG data provider to assess issuer modern slavery risk management processes across those three areas. Companies are then categorised into three risk management tiers: Low, Medium, and High risk, based on their preparedness to address modern slavery risks within their operations and supply chain. Furthermore, Fidelity cross-references this analysis with historical controversies, examining whether companies have appropriately addressed any incidents.

This approach determines Fidelity’s engagement methodology, allowing the team to allocate resources effectively, focus on high-risk areas, and maximise leverage. It also highlights areas for collaboration, ensuring that Fidelity not only addresses immediate risks but also contributes to broader systemic change in combating modern slavery across its investment portfolios.

Human rights controversy assessment

In addition to risk exposure and risk management, we also conduct a modern slavery controversy screening across our investment holdings, assessing severe and very severe human rights-related controversies that have occurred in the last five years. The sustainable investing team then analyses the controversies identified through the screening process to determine the timing of the controversy, the severity of the controversy, and whether the company has taken steps towards remediation. A sustainable investment analyst then reviews the controversy to decide the most appropriate and meaningful approach to engaging with the company.

In 2024, we identified 45 issuers in scope that had experienced a severe or very severe human rights-related controversy in the past five years. The sustainable investing team then reviewed each controversy and determined that engagement was required at eight issuers, which formed part of our thematic engagement target list.

Limitations with our risk assessment approach

We acknowledge that our risk assessment approach has its limitations due to data availability as well as portfolio coverage. For example, there are a proportion of companies that do not provide sufficient disclosure for us to sufficiently assess their risk management processes and therefore we are unable to assign a risk category. As highlighted in our approach, we are proactively working on systems engagements with regulators and data providers to improve company disclosures which will in turn improve our risk assessment approach. We will seek to improve and iterate our approach on an annual basis as new data and information emerges.

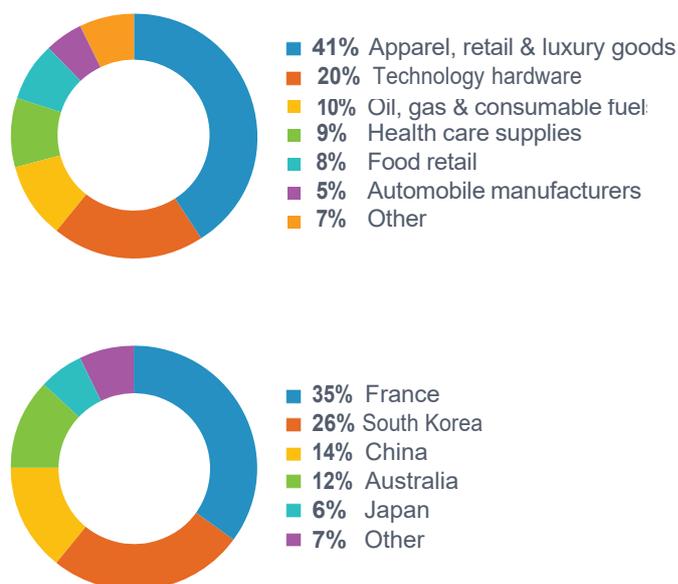
Modern slavery thematic stewardship activity

From a thematic modern slavery engagement perspective, once we have categorised issuers into their respective risk categories as outlined above, we then determine the appropriate engagement strategy for the issuer. The decision to engage with a company is influenced by our holding size, level of influence, and the materiality of the issue for the company. For High-Risk issuers, the sustainable investment team conducts further assessments to determine whether intensive engagement is appropriate.

The sustainable investing team prioritises engagement companies based on several criteria including risk to people, our financial exposure to companies, and our ability to positively influence investee companies.

At the beginning of the year, we identified 24 companies to be part of the thematic engagement programme (though this number is subject to change based on resourcing, company ownership, and other exogenous factors). These engagements involve the application of our global stewardship progress tracker, which seeks to systematically track the progress of engagement asks made of companies, using standardised objectives and milestones, within our internal research app. We report on the progress of engagement on a regular basis to our clients.

Geographic and sector split across the 24 high-risk thematic issuers



Please see below for examples of modern slavery and human rights-related engagements in 2024.

Case study 1: Engagement with a globally diversified mining company

In our engagement with a globally diversified mining production company, we aimed to understand how it manages labour and human rights controversies and addresses labour risks. The company faced increased scrutiny due to its expanding mining operations in less developed countries. Our discussions revealed that the company adopts a proactive approach to labour management, addressing alleged violations by engaging with NGOs and providing detailed evidence of its systematic labour practices. The company has enhanced labour inspections and implemented third-party due diligence.

On ESG priorities, the company identified high-risk exposures across its operations and actively addresses these through its comprehensive ESG roadmap and improvement targets. We also discussed its climate strategy, biodiversity management, and board gender representation. The company's proactive stance on stakeholder concerns highlights its commitment to transparency and risk management. We commended its ESG strategy and recommended increasing scrutiny and management of its supply chain.

Case study 2: Engagement with global fashion company

We had a follow-up engagement with a global fashion company, and our aim was to encourage a firm-wide risk assessment of its supply chain. Although the company has implemented some measures to identify and prevent human rights violations, it remains unclear whether key risks have been properly identified. We urged it to disclose the results of its risk assessments, particularly considering a recent investigation into alleged poor labour conditions at a supplier in Italy.

We emphasised the need for transparency regarding suppliers' assessment outcomes and audits related to human rights, including details of non-compliance and any record of modern slavery findings by auditors. Since then, the company has reviewed its suppliers' code of conduct and expanded the scope of audits. With the help of an external consultant, it has identified and mapped twelve value chains to associated risks.

A director has been appointed to oversee and harmonise the implementation of the French 'duty of care' law across all business lines. The company acknowledges the need to enhance its processes for preventing and identifying human rights violations, as well as improving transparency. An action plan, supported by the CEO, has been initiated following recent controversies. We intend to monitor its disclosure and action plan progress in 2025.

Case study 3: Engagement with an Australian consumer staples company

We had a follow-up engagement with an Australian consumer staples company to gain a deeper understanding of how it maps its global supply chain and ensures transparency in grievance mechanisms and incident reporting. The company operates in high-risk regions such as Kenya, Ecuador, Malaysia, and Vietnam, where its supply chains are exposed to low-skill labour through agencies.

During discussions, the company's management shared their risk assessment and supply chain strategies, revealing more activities than currently disclosed. We urged them to provide greater detail on their risk management and assessment processes. As a supplier to two of Australia's largest consumer retailer companies, known for high supplier expectations, we felt reassured that the company had robust mechanisms and risk measures to manage its modern slavery risk exposure.

After the meeting, we communicated our requests for detailed supply chain mapping, workforce composition data, and grievance mechanism outcomes, noting the company's openness to our suggestions. We plan to continue monitoring its modern slavery practices amidst increased scrutiny under Australia's Modern Slavery Act Reform.

To read more about our engagements, please visit our website [here](#). To find out more about our latest proxy voting summaries, please visit our website [here](#).

(c) Fidelity's influence framework: framing our modern slavery stewardship strategy

As part of our firm-wide Sustainable Investing Policies, Fidelity has identified four priority thematic engagement areas: **climate change**, **nature loss**, **social disparities**, and **effective governance**. Supply chain resilience and modern slavery fall under our social disparities thematic engagements.

This focus targets companies with higher exposure to significant human rights issues due to the sectors and regions in which they operate or the products and services they provide. The core objectives are:

- To understand key risks and their potential impact on our portfolios, ensuring issuers are actively working to mitigate modern slavery in their operations and supply chains, while managing associated operational and reputational risks.
- To invest in companies committed to eradicating supply chain risk, thereby enhancing the resilience and sustainability of their business models over the long term.
- We recognise that modern slavery presents substantial legal and reputational risks to the companies we invest in. Additionally, companies may encounter operational risks if they depend on suppliers engaged in modern slavery whose operations are subject to investigation and closure. Conversely, companies that actively work to eliminate modern slavery from their operations and supply chains are likely to be protected from these reputational risks and are more likely to maintain a resilient business model in the long term.

System-wide influence

Our system-wide stewardship efforts recognise that to deliver on global sustainability objectives, such as those set out in the UN Guiding Principles on Business and Human Rights (UNGPR), policymakers and regulators have a key role to play. As such, to complement our bottom-up company level engagement, we also engage at the system level on key human rights related issues. We engage both via associations and directly with policymakers and regulators.

Corporate disclosures: We see disclosures on key social metrics as an important first step in assessing risk for companies. We engaged with the European Commission and the European Financial Reporting Advisory Group (EFRAG) in Europe on its revisions to the Corporate Sustainability Reporting Directive (CSRD) to reiterate the importance of including material social metrics, including on human rights and forced labour, in revisions to the European Sustainability Reporting Standards (ESRS).

Given the potential extra-territorial impact of CSRD, this disclosure requirement has the potential to have broader influence on companies and supply chains outside of Europe.

Due diligence requirements: Proportionate and risk-based due diligence requirements could help reduce modern slavery risks. We engaged with the European Commission on the Corporate Sustainability Due Diligence Directive which aims to require due diligence requirements across the value chain and encouraged the European Commission to maintain proportionate and risk-based due diligence requirements.

We also responded to the United Kingdom's Joint Committee review on forced labour in the UK's supply chains. In this response, we noted we would like to see risk-based and proportionate due diligence into forced labour in supply chains, which could help companies identify forced labour risks, and that this should be tailored to a company's size, sector, and supply-chain risks.

In addition, we also engage with ESG data providers and other stakeholders to encourage greater provision of human rights-related metrics. Modern slavery-related risk analysis is still in its early stages and there are significant data gaps and lack of consistency. For example, we are part of the Investor Initiative on Human Rights Data, a collaborative investor initiative seeking to address the lack of consistent, decision-useful human rights data at scale. We have been proactively engaging with financial and ESG data providers to highlight the need to close this data gap, to unlock more decision-useful data on human rights to help shift financial flows towards socially positive activities.

Industry, sectoral and thematic influence

In addition to bilateral engagement on company specific issues, we also use our influence and conduct stewardship activities to address material sustainability themes that cut across sectors and regions. We participate in two collaborative investor engagement initiatives as part of our thematic engagement on supply chain resilience and modern slavery.

Investors Against Slavery and Trafficking (IAST) APAC

In 2020, as one of the founding members and member of the Steering Committee, we launched a collaborative initiative called the Investors Against Slavery and Trafficking (IAST) APAC. The purpose of the initiative is to drive effective action among companies to find, fix and prevent modern-day slavery, labour exploitation and human trafficking.

IAST APAC is a coalition of leading investors including First Sentier Investors, Aware Super, AustralianSuper, Ausbil, among others, with collective assets under management of approximately US\$7.8 trillion. Members have embarked on a multi-year initiative to address complex and systematic human rights issues in the value chain through collaborative engagement with companies at risk across APAC.

Find it, Fix it, Prevent it (UK)

In 2020, Fidelity joined the 'Find it, Fix it, Prevent it' initiative on modern slavery led by UK asset manager CCLA. The objective of this collaborative engagement is to help companies develop and implement better processes for finding, fixing, and preventing modern slavery in companies' supply chains.

We believe industry collaboration is imperative to support our ambition to reduce incidents of modern slavery and redirect financial flows towards socially positive outcomes. As such, to complement our own thematic engagement programme, we also participate in a range of investor initiatives and collaborative engagement programmes.

Individual influence

We recognise that the influence of individuals is key to effecting change. The social and economic consequences of human rights failures are less well understood and appreciated by comparison to other environmental and social systemic risks. This calls for a need to establish a baseline understanding of key concepts across our organisation and for our clients, such that all relevant stakeholders can make better-informed decisions.

As such, we host training sessions and webinars to address identified knowledge gaps, including tailored internal training sessions for our investment and distribution teams, and we also publish training manuals and primers.

We regularly engage with clients on modern slavery issues through training sessions and one-to-one meetings, explaining key concepts and our evolving human rights related investment strategy. We have also developed client content and thought leadership to support clients' knowledge on this topic.

We regularly update clients on our sustainability activities through our annual sustainable investing reports in which we include examples of our progress on key sustainability themes such as employee management and modern slavery. We share human rights-related engagement examples and any outcomes of engagements we have undertaken.

We continue to review our reporting capabilities and will seek to evolve our reporting to incorporate additional human rights-related information and engagement and voting examples to align with emerging market standards and regulatory requirements, such as ISSB and the EU's CSDDD.

Awareness and training

We have developed comprehensive guidance on labour management and modern slavery for our investment analyst team. The guidance provides investment analysts with the information on modern slavery risks, as well as providing examples of questions they can use for engagement with companies, including case studies for best practices across a wide range of modern slavery reporting and management areas.

4 Assessing our effectiveness

We have included the following table of progress against stated commitments as a first step in monitoring our progress against commitments and intentions made in successive statements. Going forward, we intend to develop clear metrics to assess and monitor the effectiveness of our actions both through our operational (corporate spend) and supply chain (investments) risk exposure.

Commitment	Status	Commitment	Status
Governance		Risk assessment, due diligence and remediation	
Effectiveness metrics		Operations risk screening	
<ul style="list-style-type: none"> Develop a framework for assessing progress of our engagement which we will report on a biannual basis to relevant governing body. 	Completed	<ul style="list-style-type: none"> Investigate opportunities to address operations and operational suppliers. 	Completed
Responsibilities and accountabilities		Investment risk screening and management	
<ul style="list-style-type: none"> Tracking of progress of Modern Slavery thematic engagement. 	Ongoing	<ul style="list-style-type: none"> Establish standardised metrics to include in all investee ESG assessment and ratings during the next update of our proprietary rating system. 	Completed
<ul style="list-style-type: none"> Explore enhanced public reporting of the progress from the Modern Slavery engagement theme. 	Ongoing	<ul style="list-style-type: none"> Undertake governance review and explore use of proprietary metrics for future risk exposures. 	Ongoing
Policy		Procurement risks	
<ul style="list-style-type: none"> Set up Australian Modern Slavery working group with appropriate KPIs. 	Completed	<ul style="list-style-type: none"> Progress against engagement milestones for companies under the thematic engagement. 	Ongoing
<ul style="list-style-type: none"> Enhance incorporation of modern slavery in all relevant policies. 	Partially completed	<ul style="list-style-type: none"> Ensure 90% of expanded critical supplier list is assessed and rated by Eco Vadis; this is equivalent to 80% of suppliers by spend. 	By 2027
International collaboration		Grievance	
<ul style="list-style-type: none"> Continue to collaborate with international and UK-based teams to share resources, engagement findings, and resources on modern slavery risk. 	Ongoing	Grievance reports	
Awareness and training		<ul style="list-style-type: none"> Investigate the existing reporting mechanism and global chain of responsibility for concerns raised in relation the Australian business or suppliers. 	
Internal training		<ul style="list-style-type: none"> In relation to the above, investigate to have access to and report on any relevant breaches or concerns raised. 	
<ul style="list-style-type: none"> Train our investment analyst teams in the definitions of modern slavery, relevance to the investment industry and Fidelity's risk profile. 	Completed		
<ul style="list-style-type: none"> Develop appropriate resources for enhanced understanding and engagement for the investment team. 	Ongoing		
Collaboration and external engagement			
<ul style="list-style-type: none"> Continue our involvement with IAST APAC and 'Find it, Fix it and Prevent it'. 	Ongoing		

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