

Fidelity 2023-2024 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 Fidelity 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 1st July 2023 until 30th June 2024.

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 **5th December 2024**.

SIGNED _____

Mandatory criteria	Section and page number
1. Identify the reporting entity.	Section 1 - Who we are and what we do
2. Describe the reporting entity’s structure, operations and supply chains.	Section 1 - Who we are and what we do
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
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. Describe how the reporting entity assesses the effectiveness of these actions.	Section 4 - Assessing our effectiveness
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
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

A message from the Managing Director

Fidelity Australia is proud to launch our third Modern Slavery Statement as a reporting entity under the Act. During the 12-month reporting period following our 2023 statement, we have continued to develop and mature our understanding of modern slavery and our approach to assessing social and 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, 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 every company we research. We do not tolerate modern slavery or human trafficking within our business and take a risk-based approach to managing 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.

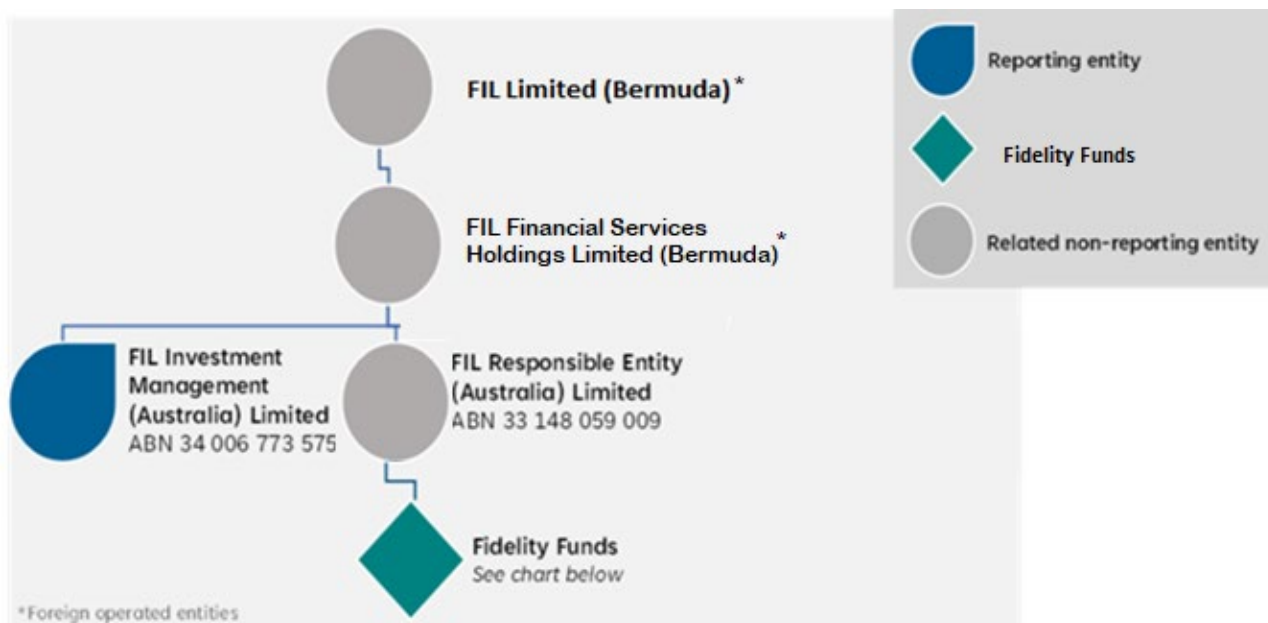
1. Who we are and what we do

Corporate Structure and Fidelity Funds

FIMAL and FREAL, 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 owned by FIL Financial Services Holdings Limited (Bermuda), which is in turn owned by FIL Limited (Bermuda).

FREAL acts as the responsible entity of the following registered managed investment schemes (“Fidelity Funds”) currently offered in Australia, with FIMAL appointed as the investment manager with 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 Funds¹. 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 and the Fidelity Future Leaders Fund are the only two Fidelity Funds considered to be reporting entities according to the threshold set out under the Act during this reporting period.

As of 30th June 2024, Fidelity Australia has approximately AU\$16.8bn in funds under management. Our focus is on delivering sustainable investment returns for our clients, while managing our impact on society and the environment.



	Fidelity Asia Fund ARSN 116 072 498		Fidelity Global Equities Fund ARSN 093 163 672
	Fidelity Australian Equities Fund ARSN 103 420 088		Fidelity Global Future Leaders Fund ARSN 641 516 476
	Fidelity Australian High Conviction Fund ARSN 159 055 722		Fidelity Hedged Global Equities Fund ARSN 093 163 869
	Fidelity China Fund ARSN 116 072 649		Fidelity India Fund ARSN 093 164 679
	Fidelity Future Leaders Fund ARSN 164 470 606		Fidelity Japan Equities Fund* ARSN 677 502 706
	Fidelity Global Bond Fund ARSN 670 988 539		Fidelity Global Long Short Fund ARSN 669 400 515
	Fidelity Global Demographics Fund ARSN 160 557 353		Fidelity Global Emerging Markets Active ETF (ASXcode: FEMX) ARSN 627 296 959
	Fidelity Global Emerging Markets Fund ARSN 165 837 150		Fidelity Global Short Duration Income Fund^ ARSN 651 633 448

* The Fidelity Japan Equities Fund was registered with the Australian Securities & Investments Commission (ASIC) on 28 May 2024.

^ As of 30 June 2024, the Fidelity Global Short Duration Income Fund was in the process of being terminated.

Business Activities

Fidelity Australia conducts its business across three Australian offices, with 89 directly employed staff, as of 30 June 2024, 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](#).

Within the organisation, the Sustainable Investment lead in Australia has functional accountability for assessing modern slavery risks and reporting. With regards to the investment activity, they work with other members in the sustainable investment team, investment analysts and portfolio managers to ensure consideration and management of modern slavery risks. The Sustainable Investment lead also works with other parts of the international and Australian business to seek to mitigate and manage modern slavery risks in our operations in Australia.

Corporate supply chains

Our supply chains for corporate spend are limited to the purchasing of goods and services to support the undertaking of professional and corporate services across our office locations. Our spend fits the profile for most professional services firms and includes professional services, facility management and maintenance including cleaning, marketing and advertising expenses, office consumables, office and IT equipment.

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

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. We have recently updated our Global Diversity and Inclusion Policy and Respect in the

² This approach is based on best practice according to the [Commonwealth Guidance for Reporting Entities](#).

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.

Workplace Policy, emphasising 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 are also in the process of developing a new 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.

Our [Whistleblowing Policy](#), [Complaints Handling Policy](#) and [Confidential Alert Line](#) (1800 139 957) are also in place to ensure concerns, complaints, or breaches are appropriately addressed. These are both accessible to internal staff and suppliers, allowing for anonymous reports. We also highlight to all staff how to escalate concerns in our mandatory annual online training.

The sustainability team in Australia includes the Head of Sustainable Investing-Australia and a Sustainable Investment Analyst. Both have capabilities and knowledge on modern slavery in the investments supply chain. Furthermore, the Sustainable Investment analyst jointly leads Fidelity's global work with regards to modern slavery in investments. The Australian sustainability function sits within the global Sustainable Investing team and has specific responsibilities for complying with the Australian Modern Slavery Act. This includes the risk awareness and risk mitigation activities within the organisation locally and globally. This function supports Fidelity Australia to systematically prioritise modern slavery and broader ESG considerations within the organisation and focuses on continuous improvement of the approach over time.

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.⁴ 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. We are on track to meet our 2024 target to have 90% of our critical suppliers and suppliers covering 80% of procurement spend assessed by EcoVadis, an assessment which covers Environment, Labour & Human Rights, Ethics and Sustainable Procurement (the suppliers of our suppliers).

Fidelity have also developed a webpage dedicated to the issue of Modern Slavery which can be found [here](#).

Focusing on our internal human rights impacts

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 in order 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 and
- address gender imbalances in both pay and leadership roles and
- support flexible working arrangements.

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

Fidelity Australia will continue to monitor workforce and operational risks, as well as increase our positive human rights impacts, 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. For the 2022 statement we undertook a full portfolio assessment of all the funds currently sold in Australia. We have used those same results to understand our exposures for this statement as the sectors and regions likely have had limited change. For our retrospective risk assessment, we identify where we think most of our risk exposures lie below.⁵

What we found and what we are doing

Identified industry sector risk exposure: <ul style="list-style-type: none">• Heavy electrical equipment• Apparel, accessories and luxury goods• Coal and consumable fuels• Leisure products• Footwear• Textiles• Steel• Building products• Aluminium• Agricultural products	Identified direct geographic risk exposure: <ul style="list-style-type: none">• China• India• Brazil• Indonesia• Malaysia• Peru• Argentina• Mexico• Kenya
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The above list is not exhaustive of all sectors and geographies identified as a risk, but indicative of those calculated to be our highest investment risks. Most of these risks arise due to their exposure to potential modern slavery practices in manufacturing, construction, or raw material farming or extraction.⁶ We note that many of our investees may not control the sites of risk exposure but have these risks in their own 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. Due to our risk exposure through these investments, we determine that we are “linked to” these risks according to the UNGP framework.

Our approach to assessing modern slavery risk pre and post investment:

Pre-investment assessment: We undertake an in-depth assessment of a large proportion of the companies we invest in (over 2000 companies) using our proprietary ESG V2 ratings. This assessment is part of our due diligence and is one of the inputs considered by research analysts as they make investment recommendations and portfolio managers ahead of making investment decisions.

Our ratings include scores covering:

- environment,
- social,
- governance,
- overall ESG
- indication of trajectory

⁵ This methodology used external sources and considered geographic, industry and category risk.

⁶ Each of these have been noted by the [ILO Global Estimates of Modern Slavery: Forced labour and forced marriage](#) as major industries for the occurrence of forced labour.

Specifically, for modern slavery, we have metrics which capture risk exposures through direct employee management and enablers. Investment analysts use publicly available information as well as conversations with companies to understand their approach to respecting human rights in direct workforce and supply chains. According to this, analysts give a rating based on their assessment of the company's exposure and management of risks.

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

Post-investment assessment: Sustainability controversies can arise when an issuers' poor performance on Environmental, Social or Governance issues becomes public. Sustainability controversies can range from relatively minor (unfavourable media coverage) to financially material - costing billions of dollars to remediate (e.g., BP's Deepwater Horizon oil spill).

Sustainability controversies can be triggered by a wide range of issues including a toxic waste release, anti-competitive behaviour, bribery, fraud, data leaks, and human rights or modern slavery issues. The impact arising from a sustainability controversy can impact the valuation of an issuer, the eligibility of an issuer to be held in a fund and may represent a reputational risk to FIL.

We use service providers to help us monitor and regularly assess risk exposures to multiple issues including modern slavery related risks. In 2024, the Sustainable Investing team established the Significant Controversies Management Framework to flag when significant controversies are identified. Fidelity's Sustainable Investing Solutions team monitors MSCI controversy allegations daily to identify any new "Very Severe" controversies (the most material category under MSCI's controversy scoring scale). If the controversy relates to an issuer held in a Fidelity portfolio and exceeds the materiality threshold (0.5% of company held or company represents more than 0.5% of fund) then the relevant covering analyst, relevant Portfolio Manager and Corporate Communications teams will be notified. The controversy is also assessed by the Sustainable Investing Team to evaluate whether it relates to a violation of "international norms".

In addition, on a quarterly basis, all "Very Severe" controversies relating to direct operations of issuers held by Fidelity are flagged in the Sustainable Investing Management Report presented to senior management and the Fidelity board. Reconciliation of any very severe controversy case that have been resolved will also be done quarterly. Furthermore, for portfolio mandates that have a particular focus on modern slavery risk, we monitor all levels of MSCI controversies, including "Very Severe", and flag new controversies to the relevant Portfolio Manager.

Awareness and training – Investment teams:

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. While we had planned to hold a training session for Fidelity staff this year, we chose to postpone it as it is already included in our Annual Mandatory training for staff to complete. We aim to conduct the training in 2025.

Investee engagement - identifying risks in the portfolio and remediating them

Engagement with companies is key to identifying, mitigating and remediating ESG risks, including modern slavery related risks. We use our corporate access, research capabilities and investment scale to promote change in issues such as modern slavery, environmental issues, supply chain management and tackling climate change. 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 or we can also form coalitions with other investors with similar objectives to increase our influence and push for change.

One type of engagement we conduct is 'thematic engagement', which seeks to address or mitigate system-level risks (i.e. those that cut across sectors and regions and that don't impact just one company). Fidelity has

identified four priority systemic themes that inform these firm-driven engagement priorities: **Climate Change, Nature Loss, Social Disparities and Effective Governance**.

Supply chain resilience and modern slavery is included under our Social Disparities thematic engagements.

Thematic engagements can serve one, or multiple, aims:

- To influence system-level risks that can undermine the health and functioning of global financial markets, and as such, require portfolio-wide engagement, such as climate change.
- Help meet some of our firm-level commitments associated with these system-level risks and relevant sustainability issues, such as deforestation and climate.
- Build knowledge and a clear understanding of best practice through a multi-stage and often multi-year process, helping to inform fundamental analysis and investment decisions.

The supply chain resilience and modern slavery thematic focuses on companies that may have a higher exposure, through their operations or supply chains, to salient human rights issues given the sectors and regions in which they operate, or through the products/services they provide. Its core objectives are:

1. To understand key risks and their potential impact on our portfolios, ensuring issuers are working to mitigate modern slavery in their operations and supply chains, and are managing the associated operational and reputational risks;
2. To invest in companies that demonstrate a commitment to eradicating supply chain risk, enhancing the resilience and sustainability of their business models over the long term.

We believe that modern slavery poses significant legal and reputational risks to the companies that we invest in. In addition, companies may face operational risks if they rely on suppliers engaging in modern slavery whose operations are investigated and shut down. By contrast, companies which proactively seek to eradicate modern slavery from their operations and supply chains are safeguarded from these reputational risks and more likely to have a sustainable business model over the long-term.

The supply chain and modern slavery engagement squad prioritises engagement companies based on several criteria including risk to people, our financial exposure to companies, and our ability to positively influence investee companies. Currently we have eleven companies in our thematic engagement programme. We report on the progress of engagement on a biannual basis to relevant members of the organisation.

Case study 1 - Engagement with a utility company in Europe

We engaged with a utility company in Europe to assess the progress made on increased disclosure across their supplier audits and supplier engagement approach. The company made significant progress since our last engagement and developed a comprehensive five-step supplier auditing program with a specific focus on modern slavery. In addition, they provided more detail about their auditing actions and have established stricter protocols to ensure that suppliers adhere to their Supplier Code of Ethics. This program has enabled the company to uncover issues that the traditional auditing processes had not, and the company has since cancelled contracts with two non-conforming suppliers. Looking forward, we encouraged the company to be more transparent about their supply chain management and the outcomes of their auditing processes.

Case study 2 - Engagement with a luxury fashion company in Europe

We had a follow-up engagement with a luxury fashion company in Europe to assess the progress made on their modern slavery practices. During our first engagement in 2022, the focus of our engagement was on how they manage modern slavery in their supply chains given the high-risk nature of their business model. We encouraged the company to improve disclosure on their auditing practices, implement a risk assessment methodology and establish supply chain mapping practices. During the year, we met with the Head of Sustainability, and we were very impressed with the progress they had made over the period. The company has committed to intensifying their supplier auditing process and in their most recent disclosure had provided auditing activity numbers and the associated results. In addition, the company acknowledged our feedback on implementing a risk assessment

methodology and have since established their own assessment approach. Furthermore, they have set a traceability target and have committed to ensuring that >95% of their products have a traceability system by 2030. We were very encouraged by the improved actions taken by the company and their proactive approach to managing modern slavery risk. Looking forward, we advocated for further improvements to their supply chain mapping practices as well as clarity on their risk assessment approach.

Case study 3 - Engagement with Asian apparel company

We have also been actively engaging with an Asian apparel company since 2018 with a focus on supply chain labour management. Through our engagement, we aim to better understand the company’s supply chain setup, the governance and oversight, and forward-looking strategies to enhance supply chain management. The company has been responsive to engagement feedback, for example fully responding to our suggestions on enhanced disclosure on supplier profiling and audit coverage details. It is on track in fulfilling its onsite supplier social audit target of 100% coverage rate in the near term, with the number of audits doubling in the past 3 years. Our conversation also shed light on how the company is actively incorporating onsite audit findings into enhancing its supplier assessment criteria: the company plans to publish an updated Supplier Code of Conduct in 2025 that has stricter criteria for working hours, salary payment, and health and safety - areas that the audits had revealed lead to the most common violations. Apart from auditing suppliers, it has also increased resources on supplier capacity-building, implementing supplier training twice a year regularly now. Going forward, we will continue to encourage quantitative disclosures on social audit results and remediation, supplier grading, and supplier capacity-building. We also suggested the company build out more robust grievance mechanisms for its supply chain, to which the company was responsive to. We plan to continue engaging and monitoring progress.

You can read more about our engagement on our website [here](#). You can also find our latest proxy voting summaries on our website [here](#).

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
Governance	
Effectiveness metrics	
<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. Tracking of progress of Modern Slavery thematic engagement Explore enhanced public reporting of the progress from the Modern Slavery engagement theme. 	<p>Completed</p> <p>Completed</p> <p>Ongoing</p>
Responsibilities and accountabilities	Completed
<ul style="list-style-type: none"> Set up Australian Modern Slavery working group with appropriate KPIs 	
Policy	Partially completed
<ul style="list-style-type: none"> Enhance incorporation of modern slavery in all relevant policies 	
International collaboration	Ongoing
<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. 	
Awareness and training	

<ul style="list-style-type: none"> • Internal training Train our investment analyst teams in the definitions of modern slavery, relevance to the investment industry and Fidelity’s risk profile. • Develop appropriate resources for enhanced understanding and engagement for the investment team. 	<p>Completed</p> <p>Ongoing</p>
Collaboration and external engagement <ul style="list-style-type: none"> • Continue our involvement with IAST APAC 	Ongoing
Risk assessment, due- diligence and remediation	
Operations risk screening <ul style="list-style-type: none"> • Investigate opportunities to address operations and operational suppliers 	Completed
<ul style="list-style-type: none"> • Investment risk screening Establish standardised metrics to include in all investee ESG assessment and ratings during the next update of our proprietary rating system. • Undertake governance review and explore use of proprietary metrics for future risk exposures 	<p>Completed</p> <p>Ongoing</p>
<ul style="list-style-type: none"> • Procurement risks Monitor our exposure to procurement product and service risks and seek to enact appropriate due diligence where possible, including embedding screening processes via EcoVadis monitoring. 	Ongoing
Grievance and remediation	
Grievance reports <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. • In relation to the above, investigate to have access to and report on any relevant breaches or concerns raised. 	<p>Completed</p> <p>Completed</p>