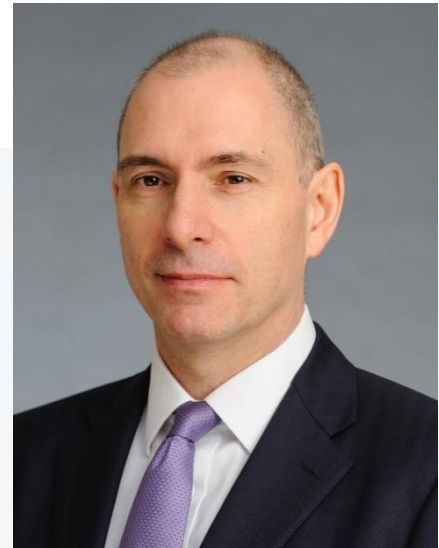


2021

Real Estate Net Zero Carbon Commitment

Roadmap

Foreword



Fidelity International enjoys a privileged position as one of the largest asset managers in the world. Our size and scale provide us with a level of corporate access - as shareholder, bondholder or landlord - that very few enjoy. As we face some of the largest environmental and social issues the world has ever seen, this is more important today than ever.

Our clients expect us, as the stewards of their capital, to actively engage with companies and occupiers to influence corporate behaviours that will help build and protect financial returns, as well as to invest responsibly for the long term. Our success in holding ourselves and others to account by encouraging change, constantly measuring progress and working towards clear sustainability goals is crucial to enhancing our clients' long-term returns and preserving our own reputation.

The outcomes that clients expect from us now go beyond purely financial. Investors are acutely aware that the way we invest their capital has a direct impact on environmental considerations such as climate change and so our approach to sustainability must be embedded in every aspect of our investment process.

The next few years will be decisive, both on a global level and for Fidelity. As the Real Estate division of Fidelity, we need to make sure that we are on the right track to limit global warming, embracing innovation and challenging our current practices to play our part. Our Net Zero Carbon Commitment will now become the centrepiece of our strategy for long-term sustainability.

Neil Cable

Head of European Real Estate Investments

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Executive Summary

The climate crisis is the defining challenge of our time and it's happening even faster than we expected. The transition to a low carbon economy must accelerate to meet the commitments made in the Paris Climate Agreement. As a data driven investment management house, we recognise the importance of capturing ESG data across our portfolios to allow measuring, monitoring and reporting of our progress. Our Net Zero Carbon Commitment provides an essential contribution to delivering our element of the low carbon economy - capturing our data is essential to delivery.



Kim Politzer
Director of Research, European Real Estate

Going beyond compliance: Net Zero Carbon

In 2018, the Intergovernmental Panel on Climate Change (IPCC) confirmed that in order to limit global warming to 1.5°C and reduce the destructive impacts of climate change on human society and nature the world needs to halve Carbon Dioxide (CO₂) emissions by around 2030 and reach net-zero CO₂ emissions by mid-century.

The IPCC defines net zero as that point when “anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period”. The [Paris Agreement](#) sets out the need to achieve this balance by the second half of this century.

The concept of net zero carbon has risen in prominence ever since, as an increasing number of countries, cities, companies and others commit to reaching this ambitious but crucial goal.

To achieve net zero carbon, we are embracing best practice principles, such as the World Green Building Council Health and Wellbeing Framework. We will measure and reduce embodied carbon in major refurbishment and developments. We will use the energy hierarchy to drive down the energy demands of our properties to energy intensity levels which are ‘Paris agreement proof’. We will increase both on-site and off-site renewable energy supply.

Our commitment is to achieve net zero carbon across our direct real estate portfolio by 2050 or sooner. This commitment goes beyond our landlord operations, covering whole building emissions which include those of our occupiers. We have also included important and challenging steps, primarily at 2035 by which time the emissions in our control, Scope 1 and 2, will be net zero carbon. This will drive further development of the culture within Fidelity and allow us to play a significant role in wider Real Estate industry evolution.

1. Introduction

“We think it is time for the financial industry and in particular the real estate sector to look at itself and go through one of its periodic reinventions. We think as custodians of our investors’ real estate we should be at the centre of that reinvention.”

Ewan Montgomery
Portfolio Manager, UK Real Estate



Each investment decision we make has consequences for client portfolios and for society as a whole. Potential long-term financial and societal implications must therefore be considered. We believe that ultimately, our own and our clients’ goals are fundamentally aligned with those of society, and it is our place to ensure we represent them in the best way possible.

As our CIO, Asia Pacific, and Global Operating Committee (GOC) member, Paras Anand, recently wrote in a note to clients, COVID-19 has made this more important than ever:

“I think we will see a greater acceleration towards what we think of as ESG and sustainability considerations in the corporate sector. Companies will start to think about creating long term value for a broader set of stakeholders beyond just financial investors.”

As stewards of our clients’ capital and as a provider of sustainable investment solutions through our real estate, we know that we need to hold ourselves accountable for our impact on society and the environment, just as we do with the assets in which we invest.

Thus, we view our sustainability priorities through the dual lens of what we consider our ‘in-house’ priorities of conducting our own corporate operations sustainably, along with our externally-oriented priorities seeking to invest sustainably in real estate. This Net Zero Carbon Commitment focuses on that second priority – that of our investments. Our corporate operations are still a priority, and we align to Fidelity’s corporate approach towards net zero carbon accordingly.

We have a track record of incorporating sustainability into real estate strategy. A comprehensive ESG Strategy was implemented in 2018, accompanied by our continuing annual participation in the Global Real Estate Sustainability Benchmark (GRESB).

The elements of this ESG strategy form the building blocks of our Net Zero Carbon Commitment, aligned to a 1.5-degree global warming science-based trajectory. This approach involves designing, creating, acquiring and managing high quality and energy efficient buildings operating on renewable energy. By doing this, we can reduce our own emissions and impact, alongside demonstrating the benefits to inspire and influence others to do the same.

This Net Zero Carbon Commitment provides a roadmap for our proposed plan for the upcoming years to 2035, including the targets we have set and the metrics we will be using to track our progress. This is the first phase on our journey to net zero carbon and it will focus on operational carbon (Scope 1 and 2). Our future second phase will involve a plan to achieve net zero carbon by 2050, or sooner, for Scope 3 emissions including tenant energy consumption.

Phase One of the Real Estate Net Zero Carbon Commitment has been set at 2035 to take account of the substantial work that will be required to deliver net zero carbon across all our funds to cover Scope 1 and 2

by that date, particularly around required improvements in data gathering and analysis. The targets have been aligned to the Fidelity International (corporate) goals to reduce global operational carbon emissions including from our operational real estate.

It is important to us that we share our plans, giving our stakeholders the opportunity to be involved in the journey, track our progress, and provide feedback. Splitting our Net Zero Carbon Commitment into two phases allows focus on areas where we have direct control. Our experiences in Phase One will also inform progression in Phase Two. We will be cognisant of our Phase Two objectives throughout.

As our climate becomes more volatile, so too does the potential disruption to our business. Our Net Zero Carbon Commitment aims to enhance resilience and minimise climate-related risks, taking responsibility for our own impact on the environment, whilst enhancing value to investors.

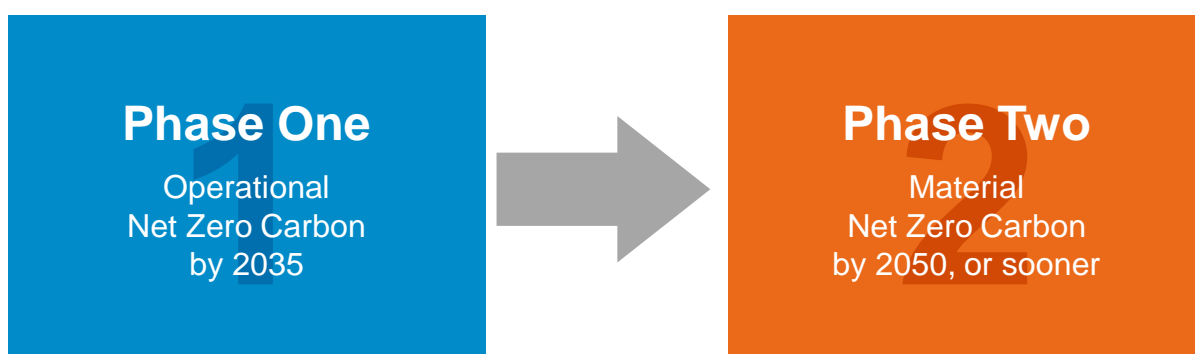
2. Our Approach

Definition of Operational Net Zero Carbon

We define operational net zero carbon as when the amount of carbon emissions associated with a building's operational energy on an annual basis is zero or negative. A net zero carbon building is highly energy efficient and powered from on-site and/or off-site renewable energy sources, with any remaining carbon balanced via a reputable carbon removal project.

Our Phase One commitment is to be net zero carbon by 2035 for our own operational consumption (scopes 1&2) where we are in control of consumption.

Our Phase Two commitment to be net zero carbon by 2050 will incorporate all emissions created through the use of our real estate assets, incorporating tenant operational emissions including for example emissions generated through staff travel. This will require greater partnership with occupiers of our assets in the future.

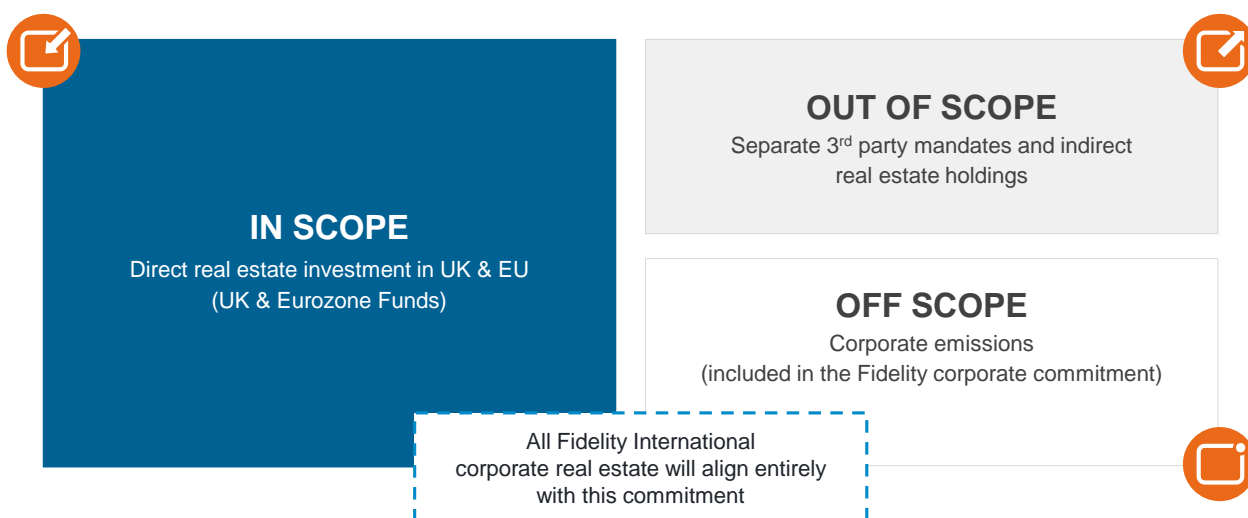


3. Investment Boundary

Our commitment covers all of our direct real estate portfolio in the UK and EU.

Our commitment to be net zero carbon does not include current third-party mandates, though we will seek to align all future mandates with the Net Zero Carbon Commitment. Neither does it include any corporate emissions which, though completely aligned to this commitment, are included within Fidelity International's corporate goals.

Our Net Zero Carbon Commitment has been formally ratified for our real estate investment business by the Fidelity International Sustainable Investing Operations Committee (SIOC) in line with our governance structure as outlined below.



4. Carbon Emissions Boundary

Phase 1

Our Phase One Net Zero Carbon Commitment applies to operational carbon emissions of buildings, wherever we have operational control and a direct ability to impact energy use and associated emissions.

We have been measuring and reporting the carbon emissions associated with managing our assets for a number of years with data capture rates continually improving. Scope 1 & 2 greenhouse emissions come from the fuels and electricity that we purchase and control as a landlord, in order to operate our properties, less the consumption that is recharged to occupational tenants. This we include in our Phase One commitment.

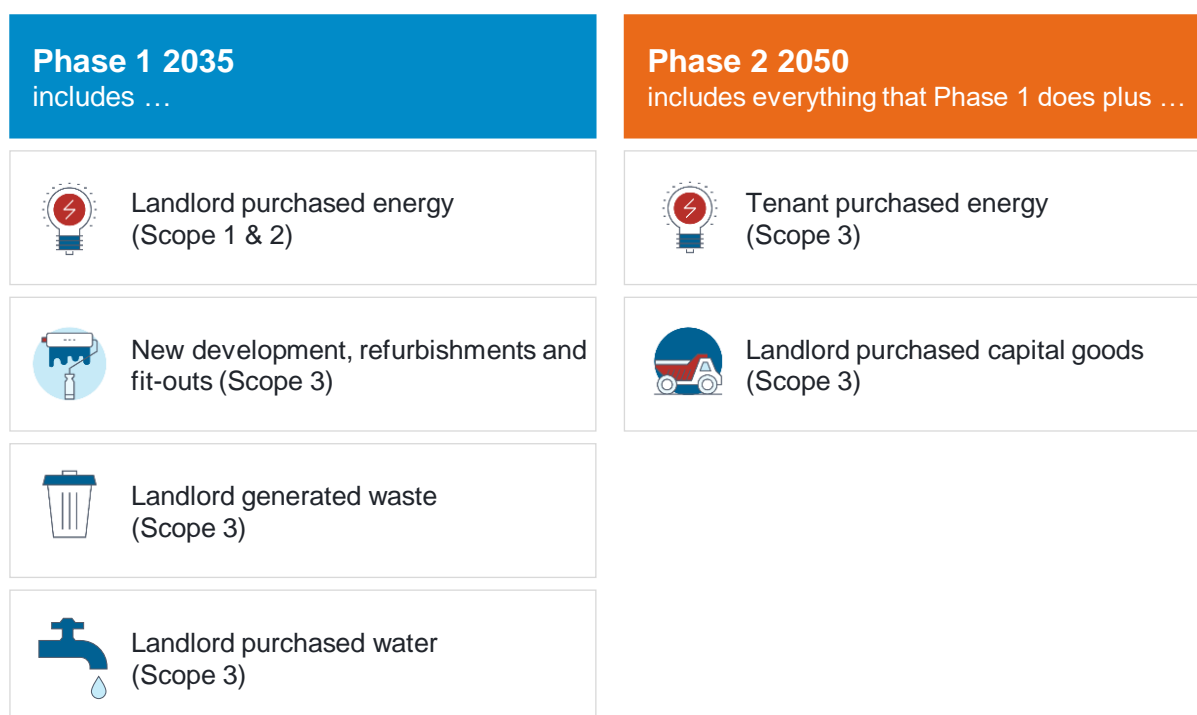
In addition, we have also included some of our Scope 3 emissions - primarily the embodied carbon built into new developments and refurbishments.

Phase 2

During our delivery of Phase One we will develop an enhanced understanding as to route to delivery of Phase Two. The majority of emissions for the assets we control are due to the energy used and controlled by our occupiers. We also acknowledge the carbon linked to the goods and services that we purchase to operate our assets. This includes OPEX expenditure on managing agents, building management and refurbishment contractors.

Our Net Zero Carbon Commitment to 2050, or sooner, Phase Two, additionally includes Scope 3 emission sources. Scope 3 emissions are from indirect sources, primarily the energy that tenants use. The availability and quality of Scope 3 emission data is currently limited. An important component of our roadmap to net zero carbon is to improve the breadth and depth of this data, and to develop more accurate monitoring and reporting. Over time, the relationship between real estate owners and occupiers will likely have to fundamentally change to build partnerships, allowing better sharing of data and the cost of dealing with residual emissions produced by tenant operations in these assets will need to be accounted for in lease agreements.

Further information about the activities included in the carbon boundary of our Net Zero Carbon Commitment is provided in the Appendix 1.



5. Phase One Delivery Strategy

The following details how we will deliver our Commitment.

Acquisition

- Enhance our due diligence processes to understand the net zero carbon transition risk. Aim to only acquire assets where we have the confidence that they can be decarbonised in an acceptable timeframe.

- In addition, enhance our acquisition processes to incorporate climate scenario mapping to understand resilience to physical climate threats.
- Upon acquisition, we will develop net zero carbon roadmaps for each asset to ensure they support our overall commitment.

Development & Refurbishment

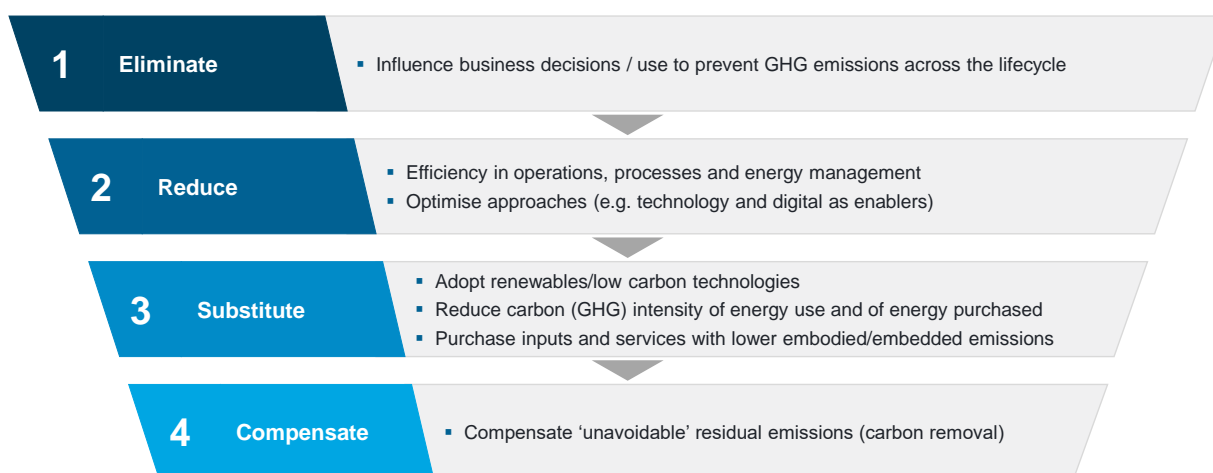
- Specify all-electric heating and cooling systems for major projects that involve mechanical and electrical upgrades.
- Ensure net zero carbon operational design strategies are addressed from the outset.

Work with suppliers to gain access to more detailed breakdowns of material used in refurbishment for the assessment of embodied carbon impacts.

Management

- Seek to reduce Green House Gas (GHG) emissions through use of the Fidelity GHG hierarchy (see Figure 1 below).
- Identify priority assets for net zero carbon audits and implement auditing schedule if/where required.
- Set out energy efficiency measures in our annual asset business plans and maintenance programmes for all properties, including new acquisitions.
- Working with managing agents, rollout asset level net zero carbon roadmaps across the portfolio
- Identify properties in the investment portfolio for retrofit to all electric heating and cooling systems.

Figure1: GHG management hierarchy



Reporting

- Report progress against Net Zero Carbon Commitment transparently on an annual basis through fund-level INREV aligned reporting and GRESB.
- Promote reporting evolution in line with availability, scope, materiality, and quality of data.

Renewable energy

- Specify maximum on-site renewables for new developments where economically viable, assess their feasibility for major refurbishments and throughout the standing portfolio.
- Explore opportunities for renewables on all assets in our control.
- Procure 100% of electricity from Renewable Energy Guarantees of Origin (REGO) backed sources, or equivalent, for the managed portfolio.
- Independent certification and industry standards will be used when procuring renewable energy. We will seek third-party advice for best practice where necessary and seek always to ensure we comply with the ethos of 'do not significant harm'.

Tenant Engagement

- Develop an approach to understanding the carbon impact of the assets in the portfolio where consumption data remains unavailable which includes a methodology for estimating energy consumption (due preparation for Phase Two)
- Continually improve green lease obligations and subsequent data capture processes to accurately measure tenant emissions.
- Engage with tenants on procurement of energy from renewable sources.

Monitoring

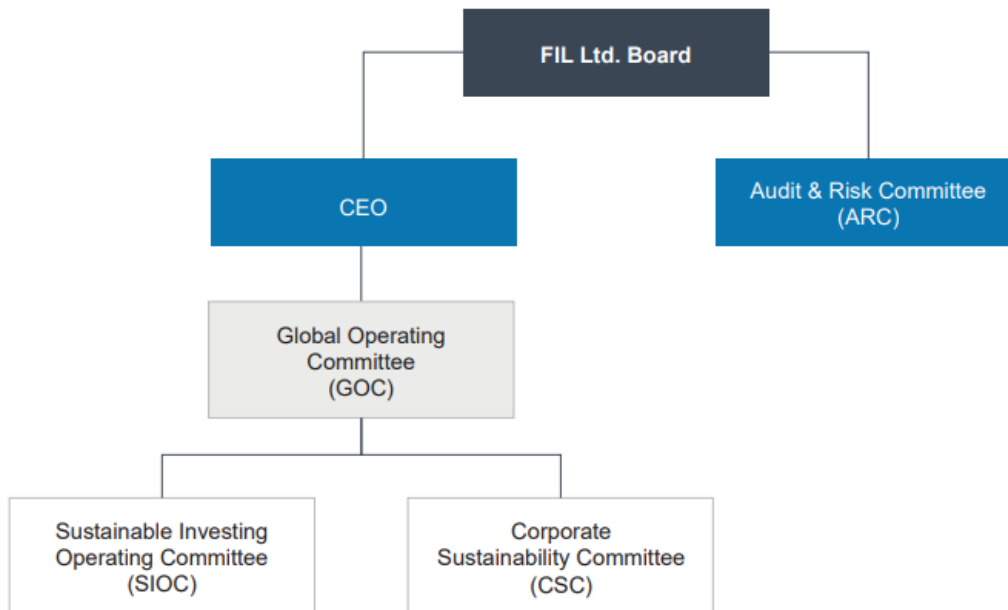
- Increase the granularity of operational energy consumption data (landlord and occupier) by: (1) ensuring the accuracy of existing meters, (2) upgrading to half-hourly meters with AMR technology that feed into software platforms automatically where possible, (3) the installation of additional sub-metering, where considered useful.
- Utilising a net zero carbon pathway modelling tool to understand the stranding risk of the portfolio.

Disposal

- Utilise net zero carbon pathway tool as a factor within long-term investment strategy.
- Provide at least 12 months of operational energy data, where available, to buyers and share as much information as possible on each asset's net zero carbon roadmap to ensure a smooth transition of energy management responsibilities.

6. Governance

Our governance structure and processes ensure our approach to decarbonisation is embedded throughout our real estate platform. We encourage a culture of team and individual accountability through integrating ESG throughout the lifecycle of our stewardship of assets, in asset planning and review meetings. Our reporting on ESG metrics through these meetings allows us to hold our teams to account for delivering on our Net Zero Carbon Commitment. The integration of ESG factors in investment decisions is part of the remuneration criteria of our investment teams.



Corporate ESG Strategy

Fidelity International's board delegates management of the company to the CEO. The CEO has created the Global Operating Committee (GOC) to implement strategy across Fidelity International's businesses and activities. The GOC is chaired by and reports to the CEO. The GOC has created two committees to focus on climate related responsibilities: the Corporate Sustainability Committee (CSC) and the Sustainable Investing Operating Committee (SIOC). Both the CSC and the SIOC report to the GOC in its capacity as a management committee that reports to the CEO. These committees take primary oversight and execution responsibilities for assessing and managing climate-related activities with respect to Fidelity International as a corporate entity (CSC) and as an investment manager (SIOC).

Real Estate ESG Strategy

The Real Estate Leadership Team (REALT) provides senior management oversight for all ESG matters for the real estate division of Fidelity International and is advised by the Sustainable Investing Steering Group (SISG).

Climate change is a standing agenda item for quarterly meetings. Discussions include:

- Progress in meeting our Net Zero Carbon Commitment and performance
- External policy developments
- Engagement with stakeholders on key climate-related topics.

The Sustainable Investing Steering Group (SISG) reports to the REALT. The SISG reviews risks and mitigation actions relating to climate change, as part of our risk management and strategy development processes.

Operational

When relevant, fund and asset meetings and communications, include ESG matters such as decarbonisation strategy, data capture and energy efficiency.

Our asset business plans which are updated annually and reviewed regularly across our portfolios, give substance to our approach and commitments on climate change.

7. Disclosures & Reporting

Third-party assurance and verification

Emissions will be measured and disclosed in line with ISO 14064-3 and the 2015 GHG Emissions Protocol, using both market-based and location-based emissions.

Certification schemes and industry standards

We will continue to apply BREEAM In-Use / Fitwel green-building certification standards or equivalent at targeted assets.

Stakeholder reporting

We will report available energy use intensity, GHG emissions, EPC ratings and other relevant emissions data to stakeholders on request.

Climate Value-at-Risk

We will use recognised tools to assess real estate assets prior to acquisition and on a portfolio management basis, identifying both the transition and physical risks, as well as the warming potential of the asset.

Compliance and mandatory disclosures

We will continue to disclose emissions to all mandatory, regulatory and legislative bodies.

Global Real Estate Sustainability Benchmark (GRESB)

We will continue to disclose all relevant real estate strategies to GRESB on an annual basis.

8. FAQ's

How effective is this Commitment at neutralising the impacts of our Real Estate's GHG emissions on the climate?

By avoiding the generation or preventing the release of GHG emissions, we can effectively neutralise the operation of our assets' impact on the climate, as our activities will no longer contribute to the accumulation of GHGs in the atmosphere.

Are Fidelity International Real Estate accounting for Scope 3 emissions?

An amount of Scope 3 emissions is included in our Phase One Net Zero Carbon Commitment – those related to fit out and refurbishment. Most Scope 3 emissions (such as those associated with tenant emissions) are not initially part of this Phase One Net Zero Carbon Commitment. However, we recognise the holistic importance of these, and will continue to collaborate with our tenants, supply and value chains to help reduce these emissions. We target net zero carbon in our material Scope 3 emissions by 2050, or sooner, and will communicate a Phase Two plan in due course.

What are the implications for acquisitions?

As part of minimising the risk of non-attainment of the Net Zero Carbon Commitment, we have enhanced our due diligence processes. Net zero carbon audits are included in the due diligence process for new acquisitions. These will identify any technical barriers to net zero carbon performance. We seek to obtain from the vendor energy usage data for at least the 12 months directly preceding the acquisition date. Where available, this data is used as a basis for preparing a costed plan to meet our Net Zero Carbon Commitment, with all required measures built into asset plans. We will prioritise assets with all-electric heating and hot water as part of our investment strategy. If we acquire assets with fossil fuel heating and hot water systems, we will include plans to electrify or otherwise decarbonise within the asset business plan.

And disposals?

We recognise that physical and transitional climate risks are likely to render some assets 'stranded'. We will dispose of assets in a responsible way, ensuring that the buyer is well equipped to continue the asset's roadmap to net zero carbon. We will investigate ways to include carbon stranding risk in investment hold/sell criteria in line with industry best practice. We will provide at least 12 months of operational energy data to buyers where available and share as much information as possible on each asset's net zero carbon roadmap to ensure a smooth transition of energy management responsibilities.

Does the Net Zero Carbon Commitment include emissions associated with the major refurbishment of our buildings?

Yes, our 2035 Phase One Net Zero Carbon Commitment includes emissions related to major refurbishment and construction. We will learn from best practice sources to enhance our understanding and collation of this data over the next few years. By 2035 we intend that we will not be creating assets that will require additional major interventions to play a part of our Phase 2 (2050) Commitment.

How are you going to work with suppliers to further this Net Zero Carbon Commitment?

Our asset management guidance already actively promotes sustainable practices in our assets. We are striving to better measure and report the emissions from asset management activities and to work with suppliers who are aligned with us in terms of sustainability. We will establish a Supplier Code of Conduct to incentivise suppliers to measure the GHG footprint of their operations, verified via third party standards, or make it a selection requirement in appropriate procurement exercises. We will consider incentivising suppliers to provide environmental product declarations for materials, plant and equipment or a product carbon footprint certified by a third party. We will also consider incentivising suppliers to evidence year-on-year improvements in carbon intensity or to have carbon neutrality certification/science-based targets.

How will performance against targets be audited?

We utilise a third-party advisor for all our sustainability support requirements, to offer us advice, best practice guidance and a superior support structure to enable good quality, rigorous data collection processes and verification to a recognised standard.

How will Fidelity International Real Estate assure any carbon removals purchased?

Over the next few years, in parallel with Fidelity's corporate approach, we will establish a nature-based carbon removal strategy. We will explore the purchase of options to have direct control of carbon removal assets and importantly, to ensure that carbon removal projects are nature based, credible, effective, consistent, robust, transparent, and that additionality is traceable and auditable.

How will this Net Zero Carbon Commitment be governed?

The Commitment will be implemented, developed at fund level and will be tracked by the Sustainable Investing Steering Group who meet on a quarterly basis. At asset level, progress against actions will be monitored through annual asset business plans.

Along with the formal governance structure, all of our direct and indirect employees have a role to play in delivering progress towards our Net Zero Carbon Commitment. That is why we will provide full support and training to ensure they have the skills and knowledge required to deliver the Commitment. It will be incorporated in our existing sustainability framework, policies and procedures.

Is the Net Zero Carbon Commitment a Science Based Target?

Our target has been developed to respect the Science Based Target initiative (SBTi). The objective of the SBT initiative is to encourage businesses to 'do their share' of emission reduction to avoid more than 2°C of global warming.

We believe our Net Zero Carbon Commitment is even more ambitious than this, both in terms of the percentage reduction in Scope 1 and 2 emissions we are targeting, and the date by which we aim to achieve this (2035 as opposed to 2050).

What are the top challenges in delivering on the Net Zero Carbon Commitment, and what are the solutions?

We recognise that delivering a Net Zero Carbon Commitment will be a challenge. In developing our Net Zero Carbon Commitment, we have considered our approach in response to mitigate challenges and risks.

Challenge	Solution
Costs to deliver	The costs of delivering net zero carbon performance may result in short term capital expenditure charges, however we believe we will deliver stronger medium and longer term performance for assets held. Furthermore, capital value is protected through greater understanding of individual asset resilience. This feeds into our investment strategy.
Changing Market	The definition of net zero carbon in commercial real estate is undergoing continual evolution. We continue to actively engage in industry conversations around this topic and will evolve our strategy in line with industry trends.
Stakeholder Engagement	The buy in of key stakeholders to the Net Zero Carbon Commitment – most notably tenants and managing agents – will be critical to driving industry change. Investors and their advisors increasing understanding of the challenges and short-term costs will allow the investment required to achieve the goals in this Commitment.

Appendix 1

Target Net Zero Carbon Scope

Business Area	Sub-Area	GHG Carbon Scope	Phase 1 Inclusion	Phase 2 Inclusion
Direct Real Estate Holdings	Landlord purchased energy	1 & 2	✓	✓
	Tenant purchased energy	3	✗	✓
	Landlord purchased water	3	✓	✓
	Tenant purchased water	3	✗	✗
	Landlord generated operational waste	3	✓	✓
	Tenant generated operational waste	3	✗	✗
	Visitors transport emissions	3	✗	✗
	Customer supply chain emissions	3	✗	✗
	Landlord purchased capital goods	3	✗	✓
Investments (Indirect Real Estate Holdings)	Landlord Purchased Energy	3	✗	✓
	Tenant purchased energy	3	✗	✓
	Landlord purchased water	3	✗	✓
	Tenant purchased water	3	✗	✗
	Landlord generated operational waste	3	✗	✗
	Tenant generated operational waste	3	✗	✗
	Visitors transport emissions	3	✗	✗
	Customer supply chain emissions	3	✗	✗
Development	New Development (including those where funding is being provided)	3	✓	✓
	Refurbishments	3	✓	✓
	Fit-out (landlord controlled)	3	✓	✓
	Fit-out (tenant controlled)	3	✗	✓
	End of life	3	✗	✗

Appendix 2 - NZC Glossary

BREEAM: Developed by the Building Research Establishment, BREEAM (Building Research Establishment Environmental Assessment Method) is a widely used method of assessing, rating, and certifying the sustainability of buildings.

Carbon credit: An emissions unit that is issued by a carbon crediting program and represents an emission reduction or removal of greenhouse gases. Carbon credits should be capable of being uniquely serialised, issued, tracked, and cancelled by means of an electronic registry.

Carbon offsets: A carbon offset is a reduction in emissions of carbon dioxide made to compensate for emissions made elsewhere. We work to obtain carbon removals as opposed to offsets.

Climate-related transition risk: Risks related to the transition to a lower-carbon economy. These may entail extensive policy, legal, technology, and market changes to mitigate or to adapt to climate change

CRREM: Carbon Risk Real Estate Monitor (CRREM) is a research project to define science-based decarbonisation pathways for real estate, to help manage transition risks.

Decarbonisation: measures that prevent the release of CO₂ emissions associated with electricity, industry and transport

Embodied Carbon: Embodied carbon means all of the carbon dioxide emitted in producing materials or products. This includes the energy used to extract and transport raw materials as well as emissions from manufacturing processes and production.

Energy hierarchy: Also known as the greenhouse gas management hierarchy, the energy hierarchy is a classification of prioritised energy options, to assist progress towards a more sustainable energy system.

EPC: An Energy Performance Certificate (EPC) provides a rating of the energy efficiency of a property on a scale of A-G. It is an estimate based upon a model of the intrinsic design of the building.

Global emissions budget: a threshold set by scientists for total accumulated emissions to avoid a particular level of temperature increase such as 1.5°C. Global mean temperature change: the change in global average surface temperatures due to anthropogenic emissions

Greenhouse gases (GHGs): a gas which absorbs and re-emits infrared radiation, thereby trapping it in earth's atmosphere. Includes carbon dioxide, methane, water vapor, nitrous oxide, and ozone.

Intergovernmental Panel on Climate Change (IPCC): United Nations body for assessing the science related to climate change.

Investors in Non-Listed Real Estate Vehicles (INREV): European Association for Investors in Non-Listed Real Estate Vehicles, a leading platform for sharing knowledge on the non-listed (unlisted) real estate industry.

Landlord purchased capital goods: This relates to services procured by the landlord to service and maintain the space e.g. property management, service charge recoverable items and minor CapEx items e.g. minor replacement.

Nature-based solutions: defined by the Nature-based Solutions Initiative as “actions that work with and enhance nature to help address societal challenges” (Nature-based Solutions Initiative, 2020).

Operational carbon: Operational carbon is the term used to describe the emissions of carbon dioxide and other greenhouse gases during the in-use operation phase of a building.

Paris Proof: The ‘Paris Proof’ methodology establishes the amount of energy reduction required for the UK to be full net zero by 2050. It clearly demonstrates that energy efficiency is essential to achieving a net zero carbon economy.

REGO: The Renewable Energy Guarantees of Origin (REGO) scheme provides transparency to consumers, through certificates, about the proportion of electricity that suppliers source from renewable generation.

Residual emissions: GHG emissions that remain unabated in scenarios that limit warming to 1.5°C with low/no overshoot.

Science Based Targets: Targets that are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement – to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C

Scope 1 (Direct GHG Emissions): These are emissions associated with our direct consumption of: fossil fuels, specifically natural gas (which we mainly use for heating and domestic hot water) and diesel (used in some assets for emergency back-up power); and refrigerants used in commercial air conditioning.

Scope 2 (Indirect GHG Emissions): These are created by other facilities during the generation of electricity which is then purchased and used by sites under our operational control. In our investment portfolio, this electricity is generally used for things such as heating, ventilation and air conditioning (HVAC), lighting and lifts.

Scope 3 (Indirect GHG Emissions): Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain, including both upstream and downstream emissions.

Value-at-Risk: Value-at-risk is a measure of the risk of loss for investments. It estimates how much a set of investments might lose, given normal market conditions, in a set time period.

World Green Building Council Health and Wellbeing Framework: Grounded in the UN’s Global Goals for Sustainable Development, the World GBC’s Health & Wellbeing Framework drives healthy and equitable buildings in harmony with nature.

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