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Website product disclosure

Fidelity Funds - Sustainable Eurozone Equity Fund

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 38% <ul style="list-style-type: none"> <input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> It will make a minimum of sustainable investments with a social objective: 20%	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



A. Summary

The fund has a sustainable investment objective.

The fund determines sustainable investments as investments in securities of:

- (a) issuers making a substantial contribution through their economic activities (more than 50% for corporate issuers) to either:
- (i) one or more of the environmental objectives set out in the EU Taxonomy and qualify as environmentally sustainable in accordance with EU Taxonomy; or
 - (ii) environmental or social objectives aligned with one or more of the United Nations Sustainable Development Goals (“SDGs”); or
- (b) issuers which contribute towards a decarbonisation objective consistent with maintaining the global temperature rise to below 1.5 degrees; or
- (c) bonds which intend to use the majority of proceeds for specific activities, assets or projects that contribute to environmental or social objectives;

provided they do not significantly harm any environmental or social objectives and that the investee companies follow good governance practices.

The Investment Manager selects issuers based on the contribution of their economic activities to environmental or social objectives which are aligned with the SDGs.

The fund will invest a minimum of 80% of its assets in sustainable investments of which a minimum of 3% have an environmental objective which is aligned with the EU Taxonomy, a minimum of 35% have an environmental objective (which is not aligned with the EU Taxonomy) and a minimum of 20% have a social objective; provided that such investments do not significantly harm any of those objectives and that investee companies follow good governance practices.

In respect of direct investments, the fund is subject to:

- (a) a firm-wide exclusions list, which includes cluster munitions and anti-personnel landmines; and
- (b) a principle-based screening policy which includes:

- norms-based screening of issuers which the Investment Manager considers have failed to conduct their

business in accordance with international norms, including as set out in the UNGC; and
 - negative screening of certain sectors, companies or practices based on specific ESG criteria where revenue thresholds may be applied.

The exclusions and screens may be updated from time to time.

Compliance with commitments to minimum percentages of sustainable investments and the fund's exclusion policies are monitored by Fidelity's portfolio compliance team on a daily basis. The controls are semi-automated in the Fidelity's internal compliance monitoring system. The relevant rules are coded as part of pre and post-trade monitoring and monitored on a daily basis in accordance with the net asset value frequency.

Fidelity uses multiple internal and external data sources to assess attainment of the sustainable investment objective. The key ESG components used in the fund's assessment of the sustainable investment objective are sustainable investments data, exclusions, activity screens and controversies data, principal adverse impact data, thematic alignment data and ESG ratings data.

A combination of sustainable investments data, along with exclusions, activity screens and controversies data and principal adverse impacts data are used as indicators to measure the attainment of the sustainable investment objective.

While covering a diverse range of environmental, social and governance factors, the Fidelity sustainable investing methodologies are used to identify the alignment to the sustainable investment objective and the most material ESG risks and opportunities, and so may not be exhaustive. However, these limitations do not affect how the sustainable investment objective is met as they are mitigated by aiming to ensure the integrity and appropriateness of the data used.

Due diligence on underlying assets is carried out by reference to ESG ratings and engagement.

Engagement and voting form part of the fund's investment strategy as well as part of the fund's consideration of principal adverse impacts on sustainability factors.

No ESG reference benchmark has been designated to meet the sustainable investment objective.



B. No significant harm to the sustainable investment objective

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

Sustainable investments are screened for involvement in activities that cause significant harm and controversies, assessed through a check that the issuer meets minimum safeguards and standards that relate to principal adverse impacts (PAIs) as well as for performance on PAI metrics. This includes:

- Norms-based screens - the screening out of securities identified under Fidelity's existing norms-based screens (as set out below);
- Activity-based screens - the screening out of issuers based on their participation in activities with significant negative impacts on society or the environment, including issuers that are considered to have a 'Very Severe' controversy using controversy screens, covering
 - 1) environmental issues,
 - 2) human rights and communities,
 - 3) labour rights and supply chain,
 - 4) customers,
 - 5) governance; and
- PAI indicators - quantitative data (where available) on PAI indicators is used to evaluate whether an issuer is involved in activities that cause significant harm to any environmental or social objective.

How does this financial product take into account principal adverse impacts on sustainability factors?

As set out above, Fidelity undertakes a quantitative evaluation to identify issuers with challenging performance on PAI indicators. All mandatory and selected optional indicators are taken into account (where data is available). Issuers with a low score will be ineligible to be ‘sustainable investments’ unless Fidelity’s fundamental research determines that the issuer is not breaching “do no significant harm” requirements, or is on the path to mitigate the adverse impacts through effective management or transition.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Norms-based screens are applied - issuers identified as failing to behave in a way which meets their fundamental responsibilities in the areas of human rights, labour, environmental and anti-corruption as aligned with international norms including those set out by OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the UN Global Compact (UNGC) and the International Labour Organisation (ILO) Conventions, are not considered sustainable investments.



C. Sustainable investment objective of the financial product

What is the sustainable investment objective of this financial product?

The fund aims to achieve capital growth over the long term by investing in sustainable investments.

The fund determines sustainable investments as investments in securities of:

- (a) issuers making a substantial contribution through their economic activities (more than 50% for corporate issuers) to either:
 - (i) one or more of the environmental objectives set out in the EU Taxonomy and qualify as environmentally sustainable in accordance with EU Taxonomy; or
 - (ii) environmental or social objectives aligned with one or more of the United Nations Sustainable Development Goals (“SDGs”); or
- (b) issuers which contribute towards a decarbonisation objective consistent with maintaining the global temperature rise to below 1.5 degrees; or
- (c) bonds which intend to use the majority of proceeds for specific activities, assets or projects that contribute to environmental or social objectives;

provided they do not significantly harm any environmental or social objectives and that the investee companies follow good governance practices.

The Investment Manager selects issuers based on the contribution of their economic activities to environmental or social objectives which are aligned with the SDGs.

The SDGs are a series of goals published by the United Nations which recognise that ending poverty and other deprivations must go hand-in-hand with improvements in health and education, economic growth, and a reduction in inequalities, all while tackling climate change and working to preserve the planet’s oceans and forests. For further details see the UN website: <https://sdgs.un.org/goals>. Environmental focused SDGs include clean water and sanitation; affordable and clean energy; responsible consumption and production; and climate action. Social focused SDGs include no poverty; zero hunger; economic growth and productive employment; industry, innovation and infrastructure; safe and sustainable cities and communities.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
- No

Consideration of the principal adverse impacts on sustainability factors of investment decisions (referred to as principal adverse impacts) is incorporated through a variety of tools, including:

(i) *ESG rating* - Fidelity references ESG ratings which incorporate consideration of material principal adverse impacts such as carbon emissions, employee safety and bribery and corruption, water management and, for sovereign issued securities, ratings used incorporate consideration of material principal adverse impacts such as carbon emissions, social violations and freedom of expression.

(ii) *Exclusions* - When investing directly, the fund applies the Exclusions (as defined below) to help mitigate the principal adverse impacts through excluding harmful sectors and prohibiting investment in issuers that breach international standards, such as the UNGC. Such exclusions include PAI indicator 4: Exposure to Companies active in the fossil fuel sector, PAI indicator 10: Violations of UN Global Compact principles & OECD Guidelines for Multinational Enterprises and PAI indicator 14: Exposure to controversial weapons.

(iii) *Engagement* - Fidelity uses engagement as a tool to better understand principal adverse impacts and, in some circumstances, advocate for mitigating the principal adverse impacts. Fidelity participates in relevant individual and collaborative engagements that target a number of principal adverse impacts (i.e. Climate Action 100+, Investors Against Slavery and Trafficking APAC).

(iv) *Voting* - Fidelity's voting policy includes explicit minimum standards for board gender diversity and engagement with climate change for corporate issuers. Fidelity may also vote to help mitigate principal adverse impacts.

(v) *Quarterly reviews* - review of principal adverse impacts on a quarterly basis.

Fidelity takes into account specific indicators for each sustainability factor when considering whether investments have a principal adverse impact. These indicators are subject to data availability and may evolve with improving data quality and availability.

Information on principal adverse impacts will be available in the annual report of the fund.



D. Investment strategy

What investment strategy does this financial product follow and how is the strategy implemented in the investment process on a continuous basis?

The fund invests in companies which contribute to environmental or social objectives, do no significant harm, meet minimum safeguards and good governance requirements.

In actively managing the fund, the Investment Manager identifies investment ideas, relying on a combination of Fidelity's research, third-party research, inputs from quantitative screens and company meetings to help narrow the investment universe. Stock research and selection focuses on assessing the ESG profile, carbon emissions alignment and fundamentals through rigorous bottom-up financial analysis and valuation to select stocks with strong investment return potential.

Key components of the investment strategy are:

(i) Sustainable Investments; A minimum of 80% of the fund's assets will be sustainable investments (as defined above).

(ii) Contributing to environmental or social objectives aligned with one or more SDGs; All companies in the fund must have a portion (greater than zero) of business activities which contribute to environmental or social objectives aligned with SDGs.

(iii) Do No Significant Harm; The fund applies the "do no significant harm" criteria, as set out above, to all direct investments held within the fund.

(iv) Minimum safeguards; The fund excludes direct investments that fail to conduct their business in accordance with accepted international norms, including as set out by OECD Guidelines for Multinational

Enterprises, the UN Guiding Principles on Business and Human Rights, UN Global Compact (UNGC) and the International Labour Organisation (ILO) Conventions.

(v) Good governance; All investee companies in the fund will be screened for controversies, including tax and bribery and corruption screenings.

(vi) Exclusions; the Investment Manager will exclude investments in issuers with an MSCI ESG rating below “BBB” and, in respect of direct investments, the fund is subject to:

(a) a firm-wide exclusions list, which includes cluster munitions and anti-personnel landmines; and

(b) a principle-based screening policy which includes:

- norms-based screening of issuers which the Investment Manager considers have failed to conduct their business in accordance with international norms, including as set out in the UNGC; and
- negative screening of certain sectors, companies or practices based on specific ESG criteria where revenue thresholds may be applied.

The Investment Manager has discretion to implement additional exclusions.

The above exclusions and screens (the “Exclusions”) may be updated from time to time. Please refer to the website for further information: [Sustainable investing framework \(fidelityinternational.com\)](https://www.fidelityinternational.com).

(vii) Carbon footprint: The fund aims to have a lower carbon footprint compared to that of the MSCI EMU Index. Carbon footprint is defined as tonnes of CO2 emissions per \$1 million of sales.

In addition to the above, the fund assesses the ESG characteristics of at least 90% of the fund’s assets and the fund’s investment universe will be reduced by at least 20% due to the exclusion of issuers on the basis of their ESG characteristics.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The fund will invest a minimum of 80% of its assets in sustainable investments of which a minimum of 3% have an environmental objective which is aligned with the EU Taxonomy, a minimum of 35% have an environmental objective (which is not aligned with the EU Taxonomy) and a minimum of 20% have a social objective; provided that such investments do not significantly harm any of those objectives and that investee companies follow good governance practices.

In attaining the sustainable investment objective, the fund commits to selecting companies whose economic activity contributes to an environmental or social objective aligned with one or more of the SDGs, as described in the investment strategy section above.

In addition to the above, the fund assesses the ESG characteristics of at least 90% of the fund’s assets and the fund’s investment universe will be reduced by at least 20% due to the exclusion of issuers on the basis of their ESG characteristics.

The fund will systematically apply the Exclusions as described above.

What is the policy to assess good governance practices of the investee companies?

The governance practices of issuers are assessed using fundamental research, including ESG ratings, data regarding controversies and UN Global Compact violations.

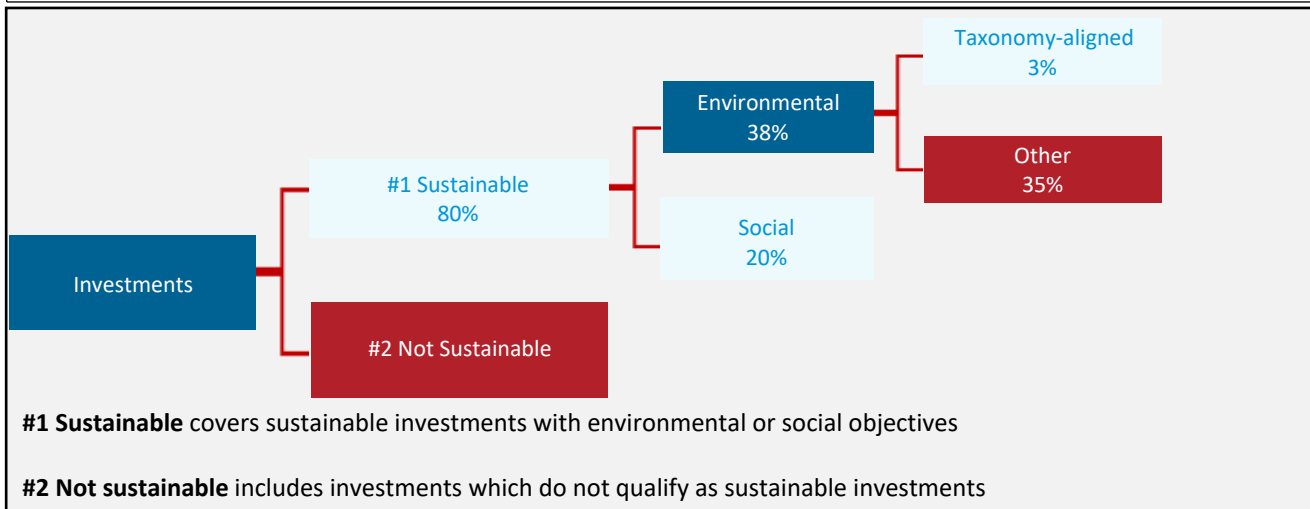
Key points that are analysed include track record of capital allocation, financial transparency, related party transactions, board independence and size, executive pay, auditors and internal oversight, minority shareholder rights, among other indicators. For sovereign issuers, factors such as corruption and freedom of expression are included.



E. Proportion of investments

What is the planned asset allocation for this financial product?

(#1 Sustainable) The fund will invest a minimum of 80% of its assets in sustainable investments of which a minimum of 3% will have an environmental objective which is aligned with the EU Taxonomy, a minimum of 35% will have an environmental objective (which is not aligned with the EU Taxonomy) and a minimum of 20% will have a social objective. The remaining sustainable investments of the fund may have an environmental or social objective.



How does the use of derivatives attain the sustainable investment objective?

Where the security underlying a derivative is deemed to contribute to the sustainable objective of the fund, the exposure of the derivative may be used to contribute to the attainment of the sustainable investment objective.

What is the minimum share of investments with an environmental objective aligned with the EU Taxonomy? (including what methodology is used for the calculation of the alignment with the EU Taxonomy and why; and what the minimum share of transitional and enabling activities)

The fund invests a minimum of 3% in sustainable investments with an environmental objective aligned with the EU Taxonomy.

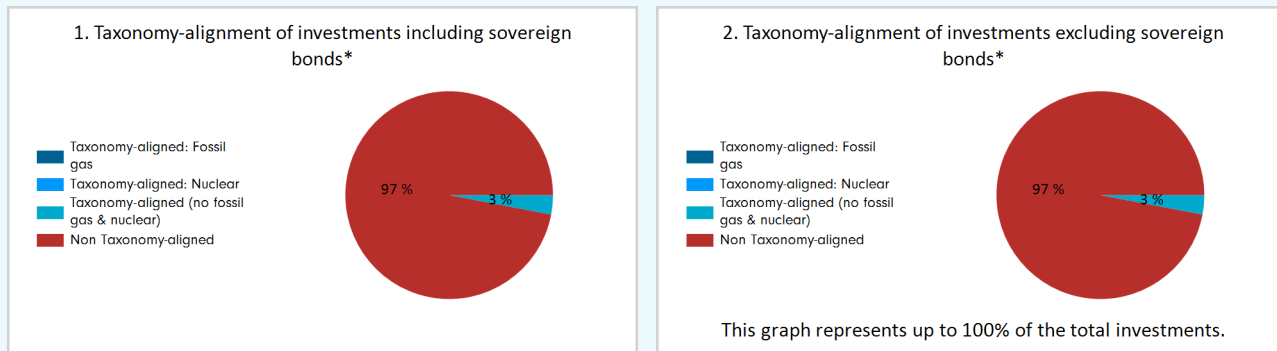
The compliance of the investments of the fund with the EU Taxonomy will not be subject to an assurance by auditors or a review by third parties.

The EU Taxonomy alignment of the underlying investments of the fund is measured by turnover.

Does the financial product invest in fossil gas and/or nuclear energy-related activities that comply with the EU Taxonomy?

- Yes
 - In fossil gas
 - In nuclear energy
- No

The two graphs below show in dark blue the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

The fund invests a minimum of 0% in transitional activities and a minimum of 0% in enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund invests a minimum of 35% in sustainable investments with an environmental objective that is not aligned with the EU Taxonomy.

These sustainable investments could be aligned with the EU Taxonomy, however, the Investment Manager is only able to specify the exact proportion of the fund's investments which are aligned with EU Taxonomy where relevant and reliable data is available.

What is the minimum share of sustainable investments with a social objective?

The fund invests a minimum of 20% in sustainable investments with a social objective.

What investments are included under "#2 Not Sustainable", what is their purpose and are there any minimum environmental or social safeguards?

Investments included under "#2 Not sustainable" may include cash, money market instruments, investments used for hedging and efficient portfolio management purposes.

In addition, all direct investments of the fund must adhere to the Exclusions, do no significant harm to environmental or social objectives, have good governance practices and must not affect the delivery of the sustainable investment objective.



F. Monitoring of sustainable investment objective

What sustainability indicators are used to measure the attainment of the sustainable investment objective by this financial product?

The fund uses the following sustainability indicators in order to measure the sustainable investment objective is met:

- (i) the percentage of the fund invested in sustainable investments;
- (ii) the percentage of the fund invested in sustainable investments with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy;
- (iii) the percentage of the fund invested in sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy;
- (iv) the percentage of the fund invested in sustainable investments with a social objective; and
- (v) the percentage of the fund with exposure to investments that undertake activities that are excluded in

accordance with the Exclusions (defined below).

How are the sustainable investment objective and the sustainability indicators monitored throughout the lifecycle of the financial product and what are the related internal/external control mechanisms?

Compliance with commitments to minimum percentages of sustainable investments and the fund’s exclusion policies are monitored by Fidelity’s portfolio compliance team on a daily basis. The controls are semi-automated in the Fidelity’s internal compliance monitoring system. The relevant rules are coded as part of pre and post-trade monitoring and monitored on a daily basis in accordance with the net asset value frequency. As part of the fund’s Quarterly Sustainability Review, the attainment of the sustainable investment objective and sustainability indicators are discussed on a quarterly basis.

As part of the fund annual report, the fund reports on the extent to which the fund has attained the sustainable investment objective and on the measurement of the sustainability indicators during the reference period. The last fund annual report is available on the fund section of our website.

In addition, the portfolio manager can view portfolio and asset level information related to the attainment of the sustainable investment objective by the fund, as well as its sustainability indicators, through the Fidelity’s portfolio management systems on a daily basis.



G. Methodologies

What is the methodology to measure the attainment of the sustainable investment objective using the sustainability indicators?

A combination of sustainable investments data, along with exclusions, activity screens and controversies data and principal adverse impacts data are used as indicators to measure the attainment of the sustainable investment objective.

Sustainable investments data

The data identifies issuers that make a material contribution to the targets and indicators for each of the SDGs and/or the EU Taxonomy criteria (where data is available). The data focuses on products and services (what an entity does) when determining an entity’s contribution, as opposed to operational alignment (how an issuer operates):

- If an issuer has a significant contribution (more than 50% for corporates) to the SDGs and/or the EU Taxonomy, Fidelity consider that the entire issuer contributes to an environmental or social objective.
- If an issuer has a decarbonisation strategy that is consistent with the ambition of the Paris Agreement, Fidelity consider that the issuer is making a significant contribution to environmental objectives. This assessment is done with reference to Science Based Targets initiative (SBTi) targets and Fidelity’s Climate Ratings.
- Fidelity also identify instrument-level eligibility for use of proceeds bonds. Contribution to an environmental or social objective is assessed using a third-party dataset when considering if a bond meets the contribution criteria.

Do no significant harm, minimum standards and good governance are assessed using data screens and assessments as set out in sections B and D of this website disclosure.



H. Data sources and processing

What are the data sources used to attain the sustainable investment objective of the financial product including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

Data Sources

Fidelity uses multiple internal and external data sources to assess attainment of the sustainable investment objective.

Below is an overview of key ESG components used in the fund’s assessment of environmental or social characteristics, with details of the data sources used for each.

- Sustainable investments data:

Fidelity's sustainable investments model relies on several internal and external data sources. Data sources include Factset RBICS for SDG revenue alignment data, Moody's for EU Taxonomy alignment data and the Climate Bonds Initiative (CBI) to assess sustainable use of proceeds bonds. To assess Paris-aligned decarbonisation, Fidelity use both external sources including the Science-based Target Initiative (SBTi) and internal sources with the Fidelity climate ratings.

For do no significant harm and good governance assessment, Fidelity's model uses the activity screens, controversies, PAI and ESG ratings data.

- Exclusions, activity screens & controversies data:

Exclusions data (including norms-based screens), activity screens and controversies data are sourced both from external sources including MSCI, Institutional Shareholder Services (ISS), Urgewald and Fidelity internal research and analysis.

- Principal Adverse Impact (PAI) data:

Fidelity use external data from MSCI, as well as from Institutional Shareholder Services (ISS) for carbon metrics.

- Thematic alignment data:

Fidelity use both internal research and external data sources for activity alignment data, which is used to assess eligibility under thematic strategies as well as under our sustainable investments assessment. External sources include Moody's for EU Taxonomy alignment data, and Factset RBICS for SDG revenue alignment data.

Some strategies use additional data sources to identify leaders or improvers under a given theme. These sources include CDP, the Transition Pathway Initiative (TPI), the Science-based Target Initiative (SBTi) and Fidelity's climate ratings.

- ESG rating data:

ESG ratings used are both Fidelity's ESG ratings, as well as third-party ESG ratings including MSCI's ESG ratings.

Measures taken to ensure data quality

Fidelity regularly reviews its ESG data sources to ensure continued suitability to assess attainment of the sustainable investment objective. In addition, Fidelity continuously review third-party data providers capabilities and aim to introduce additional proprietary tools to help bridge data gaps and to provide alternative insights into an issuer performance on sustainability issues and will continue to evolve Fidelity's ESG ratings to reflect best practice.

- Third-party data:

Third-party data providers are subject to rigorous vendor selection criteria. Each service provider is considered carefully before the decision is taken to onboard them. When selecting and onboarding any new provider, Fidelity, including the Sustainable Investing team, conduct an in-depth evaluation of its capabilities, resourcing, costs and controls.

On an ongoing basis, Fidelity assesses the quality of externally provided ESG data, using broad statistics to check data points for completeness and accuracy. On a regular basis, Fidelity also performs certain manual checks on externally sourced data.

Where Fidelity considers data from investee companies or third-party ESG data providers may be outdated or inaccurate, they may work closely with the data provider to improve the data accuracy and timeliness.

- Fidelity ESG ratings data:

The Fidelity ESG ratings scores follow a dedicated methodology to ensure a certain level of homogeneity and comparability, while taking into account some issuers or industries specificities. The Fidelity ESG rating scores are subject to oversight and are transparent to all relevant investment team members through Fidelity's portfolio management systems. Oversight includes checks from directors of research and the sustainable investing team and the output may be subject to challenge by the investment teams.

How data is processed

The data are processed on Fidelity's portfolio management and compliance systems. The systems standardize and enhance research, portfolio construction and risk management capabilities, including proprietary scores. Data is processed in accordance with applicable local laws on processing of data and in accordance with Fidelity's policies on data processing.

Further details on how the data is integrated into Fidelity's ESG assessment tools (including ESG ratings,

Fidelity climate ratings, exclusions, PAIs, sustainable investments model) are set out at [Sustainable investing framework \(fidelityinternational.com\)](https://www.fidelityinternational.com). and may be updated from time to time.

Proportion of data that is estimated

Fidelity does not generally estimate data, although may do so in certain circumstances. Third-party data providers may estimate data, for example carbon emissions maybe estimated by our data providers, where data is not available.



I. Limitations to methodologies and data

What are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the sustainable investment objective and the actions taken to address such limitations)

Limitations to methodologies and data sources

While covering a diverse range of environmental, social and governance factors, the Fidelity sustainable investing methodologies are used to identify the alignment to the sustainable investment objective and the most material ESG risks and opportunities, and so may not be exhaustive. The quality of ESG data may not be of comparable quality to that of financial reporting data.

Data inputs that are self-reported by issuers or supplied by third-party providers may be based on data sets and assumptions that may be insufficient, of poor quality or contain biased information.

With respect to third-party data, the criteria and rating systems used by third-party providers can differ significantly. Since there is no standard ESG scoring system, the methodology and conclusions reached by third-party providers may differ significantly from those that would be reached by other third-party providers or the Portfolio Manager. In case of insufficient data, these data providers may rely on estimates and approximations using internal methodologies that may be subjective. Fidelity has no control over the methodologies of third-party data providers.

While Fidelity seeks data inputs that it believes to be reliable, it cannot guarantee the completeness or accuracy of its proprietary system or third-party data.

Fidelity’s understanding of ESG, data, metrics and methodologies and its impact continue to evolve. Indeed, there are no clear market standards and regulations, and these are continuing to evolve.

How such limitations do not affect how the attainment of the sustainable investment objective

These limitations do not affect how the attainment of the sustainable investment objective as they are mitigated by aiming to ensure the integrity and appropriateness of the data used. Third-party data providers are subject to rigorous vendor selection criteria which may include analysis on data sources, coverage, timeliness, reliability and overall quality of the information. The evaluation of vendors continues on an ongoing, periodic basis during the term of subscriptions to the service to ensure that the provider is delivering on the agreed service. New providers are considered on an ongoing basis to determine if they would add benefit beyond the existing providers. The proprietary scores follow a dedicated homogeneous methodology, are transparently displayed internally and subject to oversight.



J. Due diligence

What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

Fidelity performs in-house investment research, which is produced by a team of fundamental and ESG analysts. ESG views on specific issuers are the product of data from third-party data providers, proprietary research and one-on-one engagements with companies. The Portfolio Manager’s research framework uses several internally developed processes to assess the quality of a company including its ESG credentials. The due diligence or research on the underlying companies is conducted by research analysts and/or the Investment Manager and there are designated persons responsible for quality control of both fundamental and quantitative research.

Due diligence on underlying assets is carried out by reference to ESG ratings and engagement:

(i) ESG ratings which incorporate analysis of the environmental and social characteristics of an issuer and consideration of material principal adverse impacts such as carbon emissions, employee safety and bribery and corruption, water management and, for sovereign issued securities, ratings used incorporate consideration of material principal adverse impacts such as carbon emissions, social violations and freedom of expression. Fidelity ESG ratings for each issuer are reviewed on an annual basis.

(ii) Engagement - Fidelity uses engagement as a tool to better understand issuers and, in some circumstances, advocate for change. Fidelity participates in relevant individual and collaborative engagements that target a number of principal adverse impacts (i.e. Climate Action 100+, Investors Against Slavery and Trafficking APAC).

The Sustainable Investing frameworks and activities are overseen by the Fidelity Sustainable Investing Operating Committee (the 'SIOC'). The SIOC is responsible for setting the policies and objectives of Fidelity as they relate to sustainable investing and oversee the implementation and delivery of these policies and objectives. This committee is comprised of Fidelity senior executives from across Fidelity's business units, including the Global Head of Stewardship and Sustainable Investing. In addition, the SIOC is responsible for the conduct, oversight and execution of Fidelity's ownership rights in investee issuers, including engagement and proxy voting activities.

The Fidelity Sustainable Investing frameworks and Fidelity ESG Ratings have been reviewed and validated by Fidelity internal risk and internal audit teams.



K. Engagement policies

Is engagement part of the environmental or social investment strategy?

- Yes
 No

If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies)

Engagement and voting form part of the fund's investment strategy as well as part of the fund's consideration of principal adverse impacts on sustainability factors. The Investment Manager aims to be an active owner and engage with companies held within the fund to influence positive change.

The Fidelity's Sustainable Investing Principles, Engagement Policy and Sustainable Investing Voting Principles and Guidelines set out how it may integrate shareholder engagement in investment strategies. These documents can be found at [Sustainable investing framework \(fidelityinternational.com\)](https://www.fidelityinternational.com/sustainable-investing-framework).

Fidelity seeks to maintain an ongoing dialogue with management of issuers. Formal meetings are typically held with most issuers at least twice a year. In addition to these regular dialogues, there are a variety of other opportunities for ESG-focused engagements including those in response to a controversy or adverse event, or if flagged for engagement during the Fidelity ESG Rating assessment process, a thematic engagement on a particular sustainable investing issue, in response to an issuer's request for engagement on a specific governance or corporate event, or through involvement with a third-party engagement forum. Once Fidelity has identified an engagement opportunity, a constructive dialogue starts with issuers to explain Fidelity's beliefs and expectations, and to encourage shifts in long term behaviour.

Fidelity documents engagements with issuers in a centralised application platform, which is available to the entire investment team. Engagements can have various timeframes depending on the materiality and urgency of the topic in discussion. A lack of impact of the engagement can lead to a worsened Fidelity ESG Rating or lead to considerations around voting and divestment.

Fidelity monitors controversies in respect of underlying companies / issuers, and in particular, United Nations Global Compact breaches. There are processes to assess the severity of these issues and consider

whether engagement would be an effective approach by which to elicit a positive response from the company / issuer.



L. Attainment of the sustainable investment objective

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

Yes

No