



Fidelity Sustainable Investing Framework

Overview

The Fidelity Sustainable Investing Framework (FSIF) provides a common language for developing products that aim to meet clients' traditional investment and sustainability preferences. The FSIF includes modules that classify our products by their degree of sustainability commitments and aims to align with the standards of relevant sustainability legislation or sustainability labels, as required.

While our FSIF aims to provide a global baseline for our approach to sustainable investing, product, market, and asset class specific adaptations exist to meet local requirements and legacy product ranges. More information, including our sustainable investing beliefs and overall approach, is detailed in the [Sustainable Investing Principles](#) document (SI Principles).

For details on the implementation of our framework, please refer to product specific disclosures available on the relevant product website.

Clarification of selected high-level principles that guide our FSIF are set out below.

1. Notes on calculating “better than benchmark or investment universe” tests

Where a product aims to achieve a higher ESG score than its benchmark or investment universe the following principles are typically applied:

- The weighted average ESG score of the portfolio is measured against the ESG score of the benchmark or investment universe using either a weighted average or equal weighted method of calculation. Unrated entities, cash and instruments held for hedging are excluded from the calculation.
- To score the portfolio and investment opportunity set, Fidelity ESG ratings and MSCI ESG ratings may be used based on a common 0-9 scoring scale. Issuers that are included within the ESG Tilt Exclusion list are assigned the lowest ESG score of 0.
- By default, a product's performance benchmark is used as the relevant benchmark or investment universe for this test, and a weighted average method of calculation is used.
- The above principles also typically apply for certain funds that refer an aim to achieve an ESG score of its portfolio greater than that of its benchmark or investment universe after excluding 20% of assets with the lowest ESG ratings in the benchmark or investment universe.

Exceptions to the general principles apply including:

- The use of equal weighting for the investment opportunity set when a product has a concentrated benchmark or a high “Active Share”.
- The use of a custom or proxy investment universe for products with non-investible (e.g. rate-based), non-representative (e.g. certain thematic products) or unavailable benchmarks (e.g. Real Estate).
- Where a custom or proxy investment universe is unavailable or not meaningful, products may be required to have a minimum percentage of assets with ESG scores or characteristics above a defined threshold.

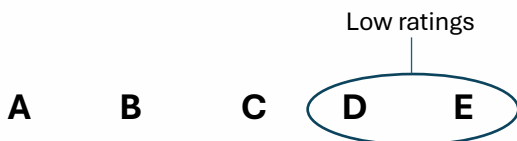
- Asset class specific rules or alternative tests may be adopted.

2. Issuers with low but improving ESG characteristics

Products may reference investing in issuers with “low but improving ESG characteristics”. Within the FSIF, this is typically defined as follows:

- ESG Ratings:

- Fidelity:



- MSCI:



- Improving Trajectory:

- An improving trajectory means the issuer is rated as having an “improving” Fidelity ESG trajectory score which is a measurement of the outlook for an issuer’s ESG performance; or
- Where the portfolio manager has identified potential for improvement, supported by engagement with the issuer where practicable. In the absence of improvement within 18 months of the initial purchase of the security, the portfolio manager will be encouraged to revisit its ESG improvement case, which may lead to divestment from the position.

Important Information

This must not be reproduced or circulated to any other party without the prior permission of Fidelity.

This communication is not directed at, and must not be acted on by persons inside the United States and is otherwise only directed at persons residing in jurisdictions where the relevant funds are authorised for distribution or where no such authorisation is required.

All persons and entities accessing the information do so on their own initiative and are responsible for compliance with applicable local laws and regulations and should consult their professional advisers.

Third-party trademark, copyright and other intellectual property rights are and remain the property of their respective owners.

Fidelity International refers to the group of companies which form the global investment management organization that provides products and services in designated jurisdictions outside of North America. Fidelity, Fidelity International, the Fidelity International logo and F symbol are trademarks of FIL Limited. Fidelity only offers information on its own products and services and this information does not constitute investment advice unless specifically agreed in a formal communication.

Europe

Provided by FIL Investment Services (UK) Limited authorised and regulated by the Financial Conduct Authority in the United Kingdom, FIL Investment Management (Luxembourg) S.A. authorised and supervised by the CSSF, Commission de Surveillance du Secteur Financier in Luxembourg, and FIL Gestion, authorised and supervised by the AMF (Autorité des Marchés Financiers) N°GP03-004, 21 Avenue Kléber, 75016 Paris in France.

Asia-Pacific

In Hong Kong, this material is provided by FIL Investment Management (Hong Kong) Limited and it has not been reviewed by the Securities and Futures Commission.

In Singapore, FIL Investment Management (Singapore) Limited (Co. Reg. No: 199006300E) is the legal representative of Fidelity International in Singapore. This document / advertisement has not been reviewed by the Monetary Authority of Singapore.

In Taiwan, independently operated by Fidelity Securities Investment Trust Co. (Taiwan) Limited 11F, No.68, Zhongxiao East Road, Section 5, Taipei 110, Taiwan, R.O.C. Customer Service Number: 0800-00-9911.

In Korea, this material is provided by FIL Asset Management (Korea) Limited. This material has not been reviewed by the Financial Supervisory Service, and is intended for the general information of institutional and professional investors only to which it is sent.

In China, Fidelity China refers to FIL Fund Management (China) Company Limited. Investment involves risks. Business separation mechanism is conducted between Fidelity China and the shareholders. The shareholders do not directly participate in investment and operation of fund property. Past performance is not a reliable indicator of future results, nor the guarantee for the performance of the portfolio managed by Fidelity China.

In Japan, this material is prepared by FIL Investments (Japan) Limited (hereafter called "FIJ") based on reliable data, but FIJ is not held liable for its accuracy or completeness. Information in this material is good for the date and time of preparation, and is subject to change without prior notice depending on the market environments and other conditions. All rights concerning this material except quotations are held by FIJ, and should by no means be used or copied partially or wholly for any purpose without permission. This material aims at providing information for your reference only, but does not aim to recommend or solicit funds / securities.

In Australia, this document is issued by FIL Investment Management (Australia) Limited ABN 34 006 773 575, AFSL No. 237865 (FIMAL) and FIL Responsible Entity (Australia) Limited ABN 33 148 059 009, AFSL No. 409340 (FREAL) which are members of the FIL Limited group of companies commonly known as Fidelity International.

FREAL has not commenced applying the revised Sustainable Investing Principles to all its registered managed investment schemes (funds). The Fidelity Global Bond Fund ARSN 670 988 539 is currently the only fund managed by FREAL to which these Sustainable Investing Principles apply. Please refer to each fund's Product Disclosure Statement (PDS) for further information.

The information in this document is general information only and should not be construed as investment, financial, or other professional advice. While the information contained in this document has been prepared with reasonable care and is derived from sources reasonably believed to be accurate, current, and reliable, to the maximum extent permitted by law, no responsibility is assumed, or liability is accepted by FIMAL or FREAL for any errors or omissions or misstatements however caused or for any loss or damage arising from the use of any information contained in this document.

For information purposes only. Neither FIL Limited nor any member within the Fidelity Group is licensed to carry out fund management activities in Brunei, Indonesia, Malaysia, Thailand and Philippines.

CL24071504