

## Sustainability-related disclosures for Private Suite - Fidelity USD Bond

This document provides you with a summary of sustainability-related information available on our website about this financial product. It is prepared in relation to Article 10 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088. The information disclosed is required by law to help you understand the sustainability characteristics and/or objectives and risks of this financial product.

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<p><b>Summary</b></p>	<p>This Sub-fund promotes environmental or social characteristics. The Investment Manager identifies the sustainable investments according to SFDR on the basis of UN SDGs as described in more detail below in the section "Methodologies". No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund. The indicators used to measure the attainment of each of the environmental or social characteristic promoted by the Sub-fund are:</p> <ul style="list-style-type: none"> <li>• the binding restrictions in the investments in securities that are on the exclusion list as result of the application of the exclusion policy. The Investment Manager excludes investment in sectors which deems to be harmful from an SRI/ESG perspective or which do not follow good governance practices. The Sub-fund complies with an exclusions policy which refers to: i) the production, maintenance, sales and storage of weapons of mass destruction (WMD); and ii) the extractive activities, production and distribution of electricity connected with thermal coal, the energy source among fuels which represents the highest contributor in terms of carbon dioxide emissions; therefore, issuers deriving at least 25% of their revenues from these activities are excluded. The exclusion is extended to those issuers in breach of the Principles of the UN Global Compact which include principles relating to human rights, labour conditions, environmental issues and anti-corruption practices;</li> <li>• the ESG rating of the portfolio.</li> </ul> <p>To undertake the ESG rating analysis, sustainable characteristics of the underlying investments are defined by reference to a combination of data generated internally by the Investment Manager's proprietary models and data provided by external ESG research providers. The assessment of the good governance practices is a central pillar of the investment process adopted by the Investment Manager and it consists on the assurance that the governance of each investee company is based on rules of conduct aligned to international best practices and inspired by the consideration of all stakeholder's interests also by means of a remuneration policy. The good governance assessment takes into account sound management structures, employee relations, remuneration of staff and tax compliance.</p> <p>In order to guarantee compliance with the strategies adopted to promote environmental and social characteristics, the Investment Manager relies on external info-providers. The Investment Manager's approach includes the adoption of strategies in line with the Principles for Responsible Investing. These strategies can be integrated into different steps of the investment process and they are based on exclusion criteria (for Issuers operating in non-socially responsible sectors or exposed to ESG risk) and in the integration of ESG factors into the analysis, selection and composition of managed portfolios with flexible approaches with regards to asset class typology and product investment strategy. In accordance with the binding element of the investment strategy adopted for promoting the environmental and social characteristics, the minimum proportion of the investments that meet the ESG criteria (in terms of ESG rating coverage) should be at least 50% of the portfolio (box #1 Aligned with E/S characteristics).</p> <p>The remaining proportion (50% corresponding to the box #2 Other) of the investments (not included in the investments for promoting environmental or social characteristics) should be limited to:</p> <ul style="list-style-type: none"> <li>• cash and cash equivalent instruments which may be held as ancillary liquidity or for risk balancing purposes;</li> <li>• derivatives which may be held for risk balancing purposes and efficient portfolio management but not for promoting environmental and social characteristic;</li> <li>• securities for which relevant data is not available.</li> </ul>
<p><b>No sustainable investment objective</b></p>	<p>This Sub-fund promotes environmental or social characteristics, but does not have as its objective sustainable investments.</p>
<p><b>Environmental or social characteristics of the financial product</b></p>	<p>The main environmental and social characteristics promoted by the Sub-fund through the Investment Manager's ESG methodology are the following:</p> <ul style="list-style-type: none"> <li>• Environmental: climate change prevention (in terms for example of reduction of carbon emission, carbon footprint, climate change vulnerability), pollution &amp; waste prevention (with reference to toxic emissions &amp; waste, packaging material &amp; waste, electronic waste), environmental opportunities (in clean tech, in renewable energy);</li> <li>• Social: human capital (labor management, health &amp; safety, human capital development, supply chain labor standards), product liability (product safety &amp; quality, chemical safety, consumer financial protection, privacy &amp; data security, responsible investment, health &amp; demographic risk), social opportunities (access to communications, access to finance, access to health care, opportunities in nutrition &amp; health), stakeholder opposition (controversial sourcing, community relations).</li> </ul> <p>No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.</p>
<p><b>Investment strategy</b></p>	<p>The Investment Manager's approach includes the adoption of strategies in line with the Principles for Responsible Investing. These strategies can be integrated into different steps of the investment process and they are based on exclusion criteria (for Issuers operating in non-socially responsible sectors or exposed to ESG risk) and in the integration of ESG factors into the analysis, selection and composition of managed portfolios with flexible approaches with regards to asset class typology and product investment strategy.</p>

<p><b>Proportion of investments</b></p>	<p>In accordance with the binding element of the investment strategy adopted for promoting the environmental and social characteristics, the minimum proportion of the investments that meet the ESG criteria (in terms of ESG rating coverage) should be at least 50% of the portfolio (box #1 Aligned with E/S characteristics). The remaining proportion (50% corresponding to the box #2 Other) of the investments (not included in the investments for promoting environmental or social characteristics) should be limited to:</p> <ul style="list-style-type: none"> <li>• cash and cash equivalent instruments which may be held as ancillary liquidity or for risk balancing purposes;</li> <li>• derivatives which may be held for risk balancing purposes and efficient portfolio management but not for promoting environmental and social characteristic;</li> <li>• securities for which relevant data is not available.</li> </ul>
<p><b>Monitoring of environmental or social characteristics</b></p>	<p>What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?</p> <p>The fund uses the following sustainability indicators in order to measure the attainment of the environmental or social characteristics that it promotes:</p> <ul style="list-style-type: none"> <li>i) the percentage of the fund invested in securities of issuers with favourable ESG characteristics in accordance with Fidelity's Sustainable Investing Framework;</li> <li>ii) the percentage of the fund invested in securities of issuers with exposure to the Exclusions (as defined below);</li> <li>iii) the percentage of the fund invested in sustainable investments;</li> <li>iv) 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); and</li> <li>v) the percentage of the fund invested in sustainable investments with a social objective.</li> </ul> <p>How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?</p> <p>Both Fidelity's investment directors and the portfolio compliance team monitor attainment of the environmental or social characteristics promoted throughout the fund's lifecycle on a daily basis, using Fidelity's internal compliance monitoring system.</p> <p>The sustainability indicators are monitored by Fidelity's sustainable investing team on a quarterly basis. The fund's periodic disclosures report on the extent to which the fund has attained the environmental or social characteristics promoted and the sustainability indicators during the period.</p>
<p><b>Methodologies</b></p>	<p>The attainment of sustainability indicators is measured by Fidelity's sustainable investing team on a quarterly basis, using data obtained from daily monitoring of the environmental or social characteristics promoted by the fund.</p>
<p><b>Data sources and processing</b></p>	<p><b>Data Sources</b> Data is obtained from a combination of internal and external sources. External sources include:</p> <ul style="list-style-type: none"> <li>- MSCI and Factset that provide data on principal adverse impacts, controversy data and ESG ratings data;</li> <li>- Institutional Shareholder Services (ISS) that provide carbon data, climate data and data on UN Global Compact violators;</li> <li>- Moody's that provide EU Taxonomy data.</li> </ul> <p>Internal sources include Fidelity Sustainability Ratings, which complement the third-party sourced ESG ratings and controversy data for exclusions and qualitative assessments.</p> <p><b>Measures taken to ensure data quality</b> When a data provider is initially onboarded by Fidelity, an assessment of data quality and an evaluation of data samples is made. Fidelity assesses the quality of MSCI ESG ratings data on an ongoing daily basis, using broad statistics to check data points for accuracy and completeness. Fidelity also performs certain manual checks from time to time on externally sourced data.</p> <p><b>How data is processed</b> Data is processed in accordance with applicable local laws on processing of data and in accordance with Fidelity's policies on data processing.</p> <p><b>Proportion of data that is estimated</b> Fidelity does not generally estimate data, although may do so in certain circumstances. External data providers may estimate data.</p>
<p><b>Limitations to methodologies and data</b></p>	<p>Limitations in data availability or methodological challenges may constrain Fidelity's ability to generate insights into an individual issuer's contribution towards a sustainability objective. The data used is in part provided by external data providers, which may apply different models and may contain inaccurate or incomplete data. In case of insufficient data, these data providers may rely on estimates and approximations using internal methodologies that may be subjective. These methodologies may also vary for each data provider. As the fund relies in part on this data when making investment decisions, it might have a negative impact on the performance of the fund. However, these challenges may be mitigated by issuer engagement and Fidelity do not expect these constraints to have a material impact on the fund's ability to achieve the environmental or social characteristics. In addition, Fidelity continue to seek alternative data providers and aim to introduce additional proprietary tools to help bridge data gaps and to provide alternative insight into an issuers performance on sustainability issues and will continue to evolve Fidelity's ESG ratings to reflect evolving best practice.</p>

<p><b>Due diligence</b></p>	<p>Due diligence on underlying assets is carried out by reference to:</p> <p>(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.</p> <p>(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).</p> <p>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.</p> <p>The Fidelity Sustainable Investing frameworks and Fidelity ESG Ratings have been reviewed and validated by Fidelity internal risk and internal audit teams.</p>
<p><b>Engagement policies</b></p>	<p>With the aim of preventing, containing and managing the main adverse impacts of investment decisions on sustainability factors, the Management Company conducts engagement actions - both individual and collective with other investors - and exercises its voting rights on the issuers in its portfolio, in order to create awareness and orient the issuers' behaviors towards specific sustainability issues, according to the times and methods formalized in its "Engagement Policy" and in the "Strategy for the exercise of the attendance and voting rights attached to the financial instruments held by the UCITS under management".</p> <p>In this case, the Company informs the issuer about the identified criticalities, directing its decisions towards their immediate reduction. If these actions are not addressed in an effective and timely manner by the issuer, the Company evaluates to initiate specific reduction or disposal initiatives, even of a progressive nature, of the investment in these issuers.</p> <p>The initiatives carried out and the decisions taken regarding these activities are reported and formalized in order to guarantee a thorough traceability of the decision-making processes and outcomes</p>
<p><b>Designated reference benchmark</b></p>	<p>No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund .</p>