Fidelity Sustainable Global Equity Fund - Stock Selection Process

Important Information:
The value of investments can go down as well as up and investors may get back less than they invest. The Investment Manager's focus on securities of issuers which maintain sustainable characteristics may result in a return that could compare less favourably to similar products without such focus. The sustainable characteristics of securities may change over time. When referring to sustainability–related aspects of the Fund, the decision to invest should take into account all characteristics and objectives of the Fund as detailed in the Prospectus.

The Fund aims to increase the value of your investment over a period of 5 years or more.

The Fund is part of the Fidelity Sustainable Family of Funds and adheres to the Fidelity Sustainable Family framework under which at least 70% of the Fund's net assets will be invested in the shares of companies globally deemed to maintain sustainable characteristics. This could include countries considered to be emerging markets as determined by the Investment Manager at its sole discretion. The Fund will also adhere to the Fidelity Sustainable Family exclusion policy.

Companies with sustainable characteristics are those which the Investment Manager believes consider effective governance and management of environmental and social issues and deliver long-term sustainable outcomes through positive societal impact. Such investments are identified through Fidelity's Sustainable Investing Process which is built on three related elements: integrated environmental, social and governance ('ESG') analysis, engagement, and collaboration.

The Fund will consider a wide range of environmental and social characteristics on an ongoing basis. Sustainable characteristics based on environmental, social, and governance considerations are analysed by Fidelity and principally assessed based on criteria such as but not limited to, climate change mitigation and adaptation, water and waste management and biodiversity, product safety, supply chain management, health and safety and human rights. The sustainability assessment is applied to the issuer of an investment.

The Fund aims to hold a concentrated portfolio of 40-60 stocks. The Fund is actively managed. The Investment Manager identifies suitable investment opportunities for the Fund utilising in-house research and investment capability.

The Investment Manager will, when selecting investments for the Fund and for the purposes of monitoring risk, consider the MSCI All Country World Index (the ''Index''). However, the Investment Manager has a wide degree of freedom relative to the Index and may take larger, or smaller, positions in companies, and/or may invest outside the Index, to take advantage of investment opportunities. This means the Fund's investments and therefore performance may vary significantly from the Index. The Fund is expected to have a lower carbon footprint compared to that of the Index.

The Fund may also obtain exposure to companies which demonstrate improving sustainable characteristics, and may also invest in transferable securities, money market instruments, collective investment schemes, cash and near cash and deposits. Derivatives may be used for efficient portfolio management and investment purposes (but not on any significant basis). Such investments will be made to take advantage of investment opportunities consistent with the objectives of the Fund.

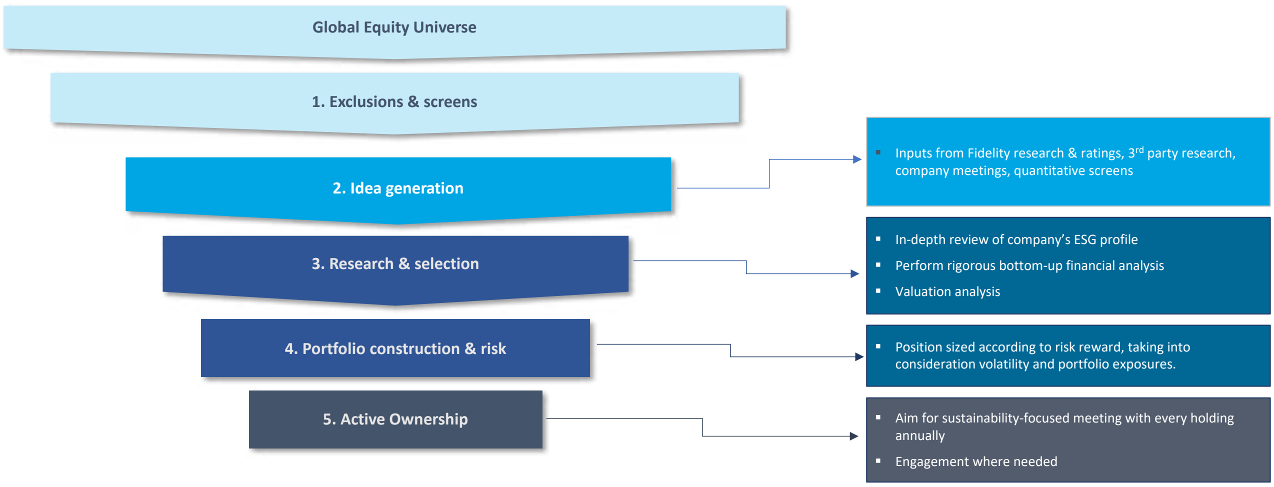
Fidelity INTERNATIONAL

A summary of our investment approach is set out below.

Fidelity Sustainable Global Equity Fund: Framework

Focus on investing in companies with sustainable characteristics and an attractive risk-return profile

Investment process overview



Source: Fidelity International, 31 March 2023.

The investment process can be broken down into five different stages:

1. Exclusions & screens
2. Idea generation
3. Research and selection
4. Portfolio construction & risk management
5. Active ownership

1. Exclusions & screens

See section below headed Exclusions Framework.

2. Idea generation

The Portfolio Managers have a pluralistic approach to idea generation, relying on a combination of our research (inputs from 170* analysts across the globe including approximately 35* dedicated ESG specialists), company meetings & conferences and third-party research (sector and thematic research, consultants/industry experts meetings), and quantitative screens to help narrow the universe.

Only stocks with sustainable characteristics and are consistent with the investment philosophy are considered for further analysis.

3. Research and selection

The research and selection process consists of three stages: (1) Sustainable characteristics (2) Fundamentals - rigorous bottom-up financial analysis and (3) Valuation - selecting underappreciated stocks with attractive risk-rewards.

Stage 1 - Sustainable characteristics

The Portfolio Management Team works in collaboration with our fundamental and ESG analysts to understand and analyse a company's sustainable characteristics. This involves a thorough assessment of ESG risks and opportunities at the stock (ESG factors).

Stage 2 - Fundamentals

Detailed financial model and industry analysis is carried out in conjunction with the relevant Fidelity analyst to build a deep understanding of industry structure and how this may evolve in the future. This includes analysis of the company's financial model, industry structure, capital allocation and risk profile.

Throughout the research process, the Portfolio Managers use company meetings not only to build conviction in ideas, but also to draw broader conclusions and identify implications for other industries and businesses within that specific industry value chain.

Stage 3 - Valuation

For selecting underappreciated stocks with attractive risk-rewards, the PM team uses a combination of absolute and relative valuation metrics for both existing holdings and new potential candidates.

4. Portfolio construction and risk management

The portfolio typically consists of 40 - 60 stocks. Position sizes typically range between 1.0%-5.0% of the portfolio. Position sizes are a function of the PMs' perceived assessment of the range of outcomes, valuation versus intrinsic value range and versus other positions within the portfolio, stock characteristics (e.g. volatility) and portfolio fit (e.g. contribution to common factor tracking error).

At the stock level, the Portfolio Managers undertake a thorough analysis of the fundamental and ESG risk profile of the company and the investment thesis. They also monitor all ongoing developments with the help of our analysts.

5. Active ownership

The PM team along with the analyst and sustainable investing analyst will engage with the companies where needed to monitor and encourage improvement in a company's ESG performance (including any shortcomings identified during the research process). These interactions also help us to identify best practices that can inform other engagements and our investment process.

Fidelity ESG ratings

Fidelity has developed proprietary ESG ratings framework within which companies are scored on an A-E scale. The framework is fully integrated into our investment process and ratings are forward looking.

Fidelity's sustainable characteristics criteria

Sustainable characteristics are defined as issuers rated by MSCI, or in the absence of a rating from MSCI, by the Fidelity Sustainability Rating, as follows:

- Developed market issuers with an ESG rating from MSCI of AAA - BBB
- Non-developed market issuers with an ESG rating from MSCI of AAA - BB
- Issuers with no ESG rating assigned by MSCI will be assessed by Fidelity Sustainability Ratings and are required to have an ESG rating of A - C

Exclusion Framework

The fund will focus on investments with sustainable characteristics. As a result, it will adhere to a principles-based framework which sets out the basis upon which certain issuers may be excluded from the investment universe. The framework incorporates both norms-based screening and negative screening of certain sectors, companies or practices based on specific ESG criteria.

- **Firm-wide exclusions** issuers with involvement in the following categories of controversial weapons the use of which is prohibited by international treaties or conventions:
  - Cluster munitions
  - Landmines
  - Biological weapons
  - Chemical weapons
  - Blinding laser weapons
  - Incendiary weapons
  - Non-detectable fragments
  - Nuclear weapons for non-signatories of the Treaty on the Non-Proliferation of Nuclear Weapons, specifically:
    - Manufacturers of nuclear warheads and/or whole nuclear missiles
    - Manufacturers of components developed and/or significantly modified for exclusive use in nuclear weapons
    - Derives more than 5% revenue from nuclear weapons
  - Includes issuers that produce exclusive delivery platforms/components only
- **Fidelity Sustainable Family exclusions:** In addition to the above exclusions, Fidelity's Sustainable Family of Funds also excludes other issuers involved in controversial weapons (broader list of nuclear weapons manufacturers and depleted uranium), military weapons, semi-automatic weapons, tobacco, thermal coal*, arctic mining, oil sands and companies violating international norms including those set out by the Ten Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights, Responsible Business Conduct and International Labour Organization (ILO) Conventions.

The below activities are excluded, at the indicated revenue threshold.

Category	Description
Controversial weapons	Any controversial weapons - sub-categories include biological, chemical, incendiary weapons, depleted uranium, non-detectable fragment, blinding lasers, cluster munitions, landmines and nuclear weapons.
Conventional weapons	All issuers that derive more than 5% revenue from the production or manufacturing of conventional weapons (excluding semi-automatic weapons).
Semi-automatic weapons	All issuers that derive more than 0% revenue from the production of semi-automatic weapons and Retailers with more than 5% of their revenues from semi-automatic firearms sales.
Tobacco	All producers/manufacturers of tobacco and issuers that derive more than 5% of their revenues from tobacco retail, distribution, supply or licensing.
Thermal coal	All issuers that derive more than 5% revenue from the mining of thermal coal and its sales to third parties or thermal coal-based power generation. Some exceptions for companies transitioning, as determined by Fidelity.*
Arctic Oil & Gas	All issuers that derive more than 5% revenue from Arctic Oil & Gas activities.
Oil Sands	All issuers that derive more than 5% revenue from oil sands activities.

Fund-specific exclusions
In addition to the Firm-level and Sustainable Fund Family level exclusion framework set out above, the fund will adhere to an enhanced principle-based exclusion policy incorporating both norms-based screening and negative screening of certain sectors, companies or practices based on specific ESG criteria to be determined by the Investment Manager from time to time: ■ The fund will exclude from its investment universe companies with high carbon intensity (sector dependent, but typically > 500 tonnes of CO2 / $1m sales, Scope 1 & 2)**.

** The Greenhouse Gas (GHG) Protocol Corporate Standard classifies a company's GHG emissions into three 'scopes'. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Reporting

Reporting on whether the Fund is meeting its ESG commitments will be found in the annual and semi annual reports. The MSCI ESG breakdown of the Fund will be available via the Fund factsheet.

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