

Informazioni sulla sostenibilità

A seguito dell'entrata in vigore del Regolamento Delegato (UE) 2022/1288 della Commissione del 6 aprile 2022 (la “**SFDR – II livello**”) che integra il regolamento (UE) 2019/2088 del Parlamento Europeo e del Consiglio (la “**SFDR – I livello**”) per quanto riguarda le norme tecniche di regolamentazione che specificano i dettagli del contenuto e della presentazione delle informazioni relative al principio «non arrecare un danno significativo», che specificano il contenuto, le metodologie e la presentazione delle informazioni relative agli indicatori di sostenibilità e agli effetti negativi per la sostenibilità, nonché il contenuto e la presentazione delle informazioni relative alla promozione delle caratteristiche ambientali o sociali e degli obiettivi di investimento sostenibile nei documenti precontrattuali, sui siti web e nelle relazioni periodiche che sono parte del pacchetto di misure dell'UE circa le questioni ambientali, sociali e di governance, NEAM (di seguito “**NEAM**” o la “**Società di gestione**”) si impegna a pubblicare sul proprio sito web informazioni conformi al capitolo IV della SFDR – II livello.

Sintesi

- **Nome del Comparto: NEF Ethical Total Return Bond**
- Nessun obiettivo di investimento sostenibile: questo prodotto finanziario promuove caratteristiche ambientali o sociali. Pur non avendo come obiettivo l'investimento sostenibile, ha una parte di investimenti sostenibili.

Il Gestore degli investimenti controlla che gli investimenti sostenibili non siano coinvolti in attività che causino danni significativi e controversie, verificando che l'emittente soddisfi le garanzie minime e gli standard relativi ai principali indicatori negativi (ovvero Principals Adverse Indicators, PAI), nonché la performance sulle metriche PAI.

Per gli investimenti sostenibili, come indicato in precedenza, il Gestore degli investimenti effettua una valutazione quantitativa per identificare gli emittenti che presentano una performance meritevole di attenzione sugli indicatori PAI.

- Caratteristiche ambientali o sociali del prodotto finanziario: il Comparto promuove caratteristiche ambientali, sociali e di governance, cercando di investire principalmente in obbligazioni globali con un elevato profilo ESG in cui consisterà l'ambito di investimento. In particolare, utilizzerà uno strumento di rating ESG proprio.

Il Comparto si asterrà dall'investire in società la cui attività principale sia coinvolta in settori controversi come l'intrattenimento per adulti, l'alcol, gli armamenti, le bombe a grappolo, le munizioni a grappolo, l'evidenza di riserve di carbone metallurgico, l'evidenza di riserve di carbone termico, il gioco d'azzardo, le mine antiuomo, le armi nucleari, l'energia nucleare e l'uranio impoverito e il tabacco; si asterrà inoltre dall'investire in titoli di Stato a maggior rischio di corruzione e di riciclaggio di denaro.

- Strategia di investimento: il Comparto mira a realizzare un rendimento positivo e una rivalutazione del capitale durante l'intero ciclo di mercato, in EURO, attraverso un'allocazione dinamica degli attivi ed un attento controllo del rischio.

Il Comparto si propone di investire principalmente in obbligazioni globali con un elevato profilo ambientale, sociale e di governance ("ESG"), oltre che in "green bond" e "social bond".

La promozione delle caratteristiche ambientali e sociali viene effettuata dal Comparto su base continuativa nell'ambito del processo di investimento, applicando sia una valutazione negativa (criteri di esclusione) sia un filtro positivo (rating ESG).

Le pratiche di governance degli emittenti sono valutate dal Gestore degli investimenti usando le proprie analisi principali, anche nell'ambito dei rating ESG forniti da agenzie esterne o dai Fidelity Sustainability Ratings.

- Quota degli investimenti: il Comparto investe almeno il 70% del proprio patrimonio netto in attività che sono state definite "idonee" in base al processo ESG in corso, sia attraverso un'esposizione diretta che indiretta. Il Comparto deterrà un minimo del 5% del proprio patrimonio in investimenti sostenibili.

Fino al 30% degli investimenti non è allineato a queste caratteristiche.

- Monitoraggio delle caratteristiche ambientali o sociali: la conformità degli investimenti alle caratteristiche ambientali e sociali promossa viene monitorata costantemente. Inoltre, la funzione di gestione del rischio della Società di Gestione monitora il rispetto degli elementi obbligatori. In questo modo, il Comparto utilizza il Rating ESG per valutare se le caratteristiche ambientali e sociali promosse sono state raggiunte.
- Metodologie: il raggiungimento delle caratteristiche ambientali e sociali promosse viene valutato attraverso l'applicazione di una metodologia di valutazione ESG propria. La metodologia utilizza una serie di criteri ESG per valutare il raggiungimento delle caratteristiche ambientali e sociali promosse sulla base di un rating ESG elevato.
- Fonti e trattamento dei dati: i dati sono ottenuti da una combinazione di fonti interne ed esterne. Sia il Gestore degli investimenti che la Società di Gestione hanno messo in atto processi per garantire la qualità dei dati.
- Limitazioni delle metodologie e dei dati: il Gestore degli investimenti si affida ai dati forniti da fornitori di dati terzi che applicano modelli diversi e possono contenere dati incompleti o imprecisi. L'integrazione di nuove informazioni e la revisione del quadro normativo adottato vengono effettuate costantemente. Tali limiti operativi non hanno un impatto significativo sulla strategia ESG del Comparto.
- Due diligence: la due diligence ESG sugli investimenti ammissibili viene svolta dal team di investimento di Fidelity utilizzando i processi di due diligence descritti nella Fidelity Sustainable Investing Policy, disponibile al seguente sito :<https://fidelityinternational.com/sustainable-investing-policy/>.

- Politiche di impegno: le politiche di confronto con le società partecipate vengono intraprese per due motivi: meglio comprendere le pratiche ESG di una società così da influenzare le decisioni di investimento di Fidelity, dall'altro utilizzare l'influenza di Fidelity per migliorare le pratiche di sostenibilità delle società in cui è effettuato l'investimento. I voti sono esercitati in un'ottica sostenibile.

No sustainable investment objective

While this financial product does not have sustainable investments as its objective, it will nevertheless commit to have a minimum proportion of 5% of sustainable investments.

Those investments are screened by the Investment Manager considering the degree of involvement in activities that can cause significant harm and can give rise to potential controversies. These indicators are assessed by verifying whether the issuer adopts minimum safeguards and standards that relate to PAIs as well as performance on PAI metrics. The screening is comprised of the following elements:

- Norms-based screens: the screening out of securities identified under Investment Manager's existing norms-based screens (as set out below);
- Sustainability indicators: the measure how the environmental or social characteristics promoted by the financial product are attained;
- Activity-based screens: the screening out of issuers based on their participation in activities with significant negative impacts on society or the environment; 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.

For sustainable investments according to art. 2(17) SFDR, as described above, the Investment Manager undertakes a quantitative evaluation to identify issuers with challenging performance on PAI indicators. Issuers with a low score, evaluated on the above mentioned elements, will be ineligible to be 'sustainable investments' unless the Investment Manager's fundamental research, built on the contribution from over 190 investment analysts, on the expertise of the Sustainable Investing team together with the interaction with the investment teams, alongside the financial research and rating process, determines that the company is not breaching "do no significant harm" requirements or is on the path to mitigate the adverse impacts through effective management or transition.

The sustainable investments pursued by this financial product respect the fundamental human rights, labour right, environmental and anti-bribery international recognized norms. This is done according to the norms-based screening that allows the Investment Manager to screen issuers against the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the ILO Standards Conventions and the OECD Guidelines for Multinational Enterprises. In case the issuers are not aligned with these international norms, they are not eligible as sustainable investment and thus excluded.

As a general matter, the "do no significant harm" principle, as referred to in article 6 of the regulation (EU) 2020/852 of the European Parliament and of the council of 18 June 2020 on the establishment of a framework to facilitate sustainable does not apply to this Sub-Fund since the investments

underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The minimum proportion of 5% of sustainable investments is monitored by the Management Company. Indeed, on a quarterly basis, the Management Company runs a first quantitative screening and a detailed review process on the assets held by the Sub-Fund to ensure that minimum proportion of 5% of sustainable investments is met. In order to be classified as sustainable investment, an investment should imperatively:

- Contribute positively to any of the SDG principles which is meant to contribute to a social objective or;
- Be a Green Bonds, Social Bonds, Sustainable Bonds, or bonds linked to Sustainable / ESG / SDGs projects which is meant to contribute to a social or environmental objective depending on the nature of the bond

And

- Issuer minimum Governance ESG rating should not be below 25 according to Refinitiv. In case the rating is not available or if the delegated Investment manager disagrees with the Refinitiv score he should submit to the Manco a detailed analysis, that will be reviewed and potentially accepted by the Management committee;
- Issuer minimum ESG rating should not be below 41.67 according to Refinitiv;
- The DNSH principle is respected.

In case of breaches of this minimum percentage the Investment Manager will be enquired to provide evidence on the sustainability nature of the investments. Based on evidence sent by delegated Investment Manager and data coming from the Management Company service providers and/or public information, the Management Company risk team will give his opinion about the sustainability of the security which should be validated by the Management Committee.

Environmental or social characteristics of the financial product

The Sub-Fund promotes environmental, social and governance characteristics while seeking to invest mainly in global bonds with a high ESG profile that will represent the investment universe. It will notably use an ESG rating as further explained in the other sections of the document.

The environmental characteristics promoted include, but are not limited to, climate change mitigation and adaptation (carbon intensity, carbon emissions and energy efficiency), water and waste management and biodiversity. The social characteristics promoted include, but are not limited to, product safety, supply chain, health & safety, human rights, digital ethics & cyber security and diversity, equity & inclusion. Controversies involving environmental and social characteristics are regularly monitored. Environmental and social characteristics are analysed by Fidelity's fundamental analysts and rated through the Fidelity Sustainability Rating.

The Sub-Fund will refrain to invest in companies which main business activity is involved in controversial sectors such as adult Entertainment, alcohol, armaments, cluster bombs, cluster munitions, evidence of metallurgical coal reserves, evidence of thermal coal reserves, gambling,

landmines, nuclear weapons, nuclear energy and depleted uranium and tobacco and will also refrain to invest in government bonds with higher corruption and ML/TF risk.

Investment strategy

The Sub-Fund values both financial criteria, which are detailed in the factsheet dedicated to this Sub-Fund within the Prospectus of NEF, and non-financial criteria.

Regarding the non-financial part of the investment strategy, the Sub-Fund seeks to invest mainly in global bonds with a high Environmental, Social and Governance criteria (“ESG”) profile, “green bonds” and “social bond”, based on the Investment Manager’s in-house research and/or third party ESG ratings.

The investment strategy used by the Sub-Fund to attain environmental and social characteristics includes both positive and negative screening. The Sub-Fund will consider environmental, social and governance (ESG) characteristics and risks as part of its research, investment and risk monitoring processes and on an ongoing basis during the holding period of each individual investment.

The sustainability factors are integrated into the fundamental bottom-up research, which leads to more complete analysis and better-informed investment decisions. The analysis is specific to each issuer and the industry or region in which it operates.

From an environmental perspective, many factors are considered, including an issuer’s approach and policies to address climate change and biodiversity loss, its approach to energy efficiency and managing waste and pollution. When considering an issuer’s societal responsibility, its diversity policies, its approach to human rights and supply chain management as well as its approach to health and safety and employee welfare among other relevant factors are considered. The way an issuer manages data privacy and cyber security, both within the technology sector and more broadly across other industries is monitored.

This ESG analysis leverages Fidelity’s extensive research capabilities and ongoing engagement with issuers, supported by the expertise of the Sustainable Investing team, to provide a forward-looking evaluation of an issuer’s performance and trajectory on sustainability issues.

Finally, the governance practices of issuers are assessed by the Investment Manager using fundamental research, including as part of the ESG ratings provided by external agencies or Fidelity Sustainability Ratings.

Key points that are analyzed 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.

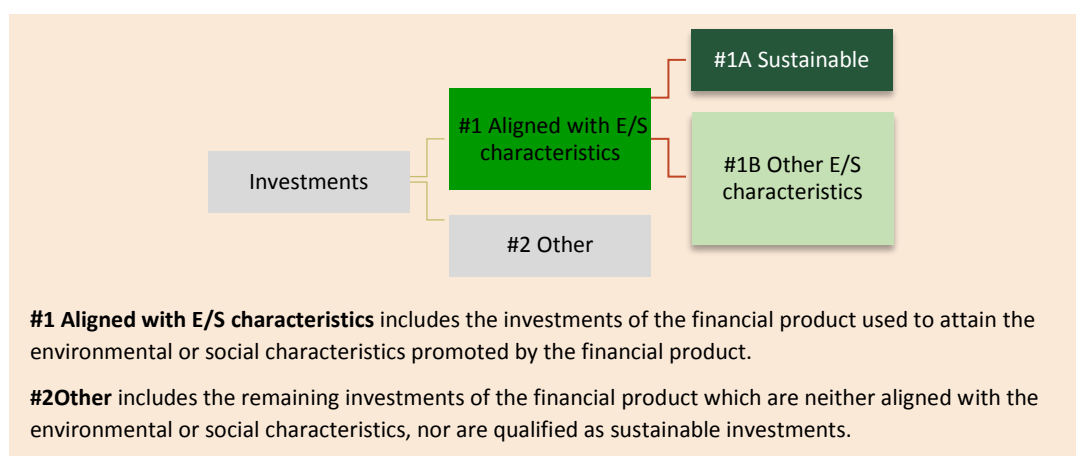
Proportion of investments

The Sub-Fund invests at least 70% of its net assets in assets that have been determined as “eligible” as per the ESG process in place (hence in investments that promote environmental and social characteristics (**#1 Aligned with E/S characteristics**)), including:

- a minimum of 5% in sustainable investments (**#1A sustainable**) ; and
- (**#1B Other E/S characteristics**) securities of issuers which are deemed to maintain favourable ESG characteristics but are not sustainable investments.

The Sub-Fund’s ESG eligible assets mainly consists of bonds (direct exposure). However, the Sub-Fund may invest up to 10% of its net assets in underlying funds which promote environmental and social characteristics (in compliance with art. 8 of the SFDR) and which have a minimum portion of sustainable investments equal or higher to 5% (indirect exposure).

Up to 30% of the investments are not aligned with these characteristics (**#2 Other**). A more detailed description of the specific asset allocation of this Sub-Fund can be found in the prospectus of this financial product.



Monitoring of environmental or social characteristics

The Investment Manager monitors attainment of the environmental or social characteristics promoted throughout the fund’s lifecycle on a daily basis, using Fidelity’s internal compliance monitoring system.

In addition, risk management of the Management Company monitors adherence to the mandatory elements. In this manner, the Sub-Fund uses the ESG Rating to assess whether the promoted E/S characteristics are achieved.

Methodologies

The attainment of the promoted environmental and social characteristics is assessed via the application of a proprietary ESG assessment methodology. The methodology applies a variety of ESG criteria to assess the attainment of the promoted environmental and social characteristics based on

high ESG rating (i.e. issuers having a rating greater than or equal to C as defined per Fidelity* in-house research or equivalent third-party ESG rating providers or 41.67 according to Refinitiv).

For corporate issuers, sovereign issuers and sovereign related issuers a high ESG rating is based on Fidelity in-house research or on third-party ESG rating providers. Should a sovereign related issuer, (e.g. agencies, local authorities, sovereign owned/sponsored/guaranteed, etc.) not be covered by Fidelity in-house research or a third-party ESG rating providers, the relative country sovereign ESG rating will be used and the same methodology for sovereign issuers will apply.

The Investment Manager can invest up to 5% of the portfolio asset under management in securities where no ESG rating is readily available, but where the Investment Manager has good reason to believe that the securities will receive a high ESG rating within a reasonable period of time by either a third-party ESG rating provider or the Investment Manager in-house research. Once the ESG rating or analysis becomes available, should it not be in line with the limits of the mandate, the course of action will follow the inadvertent breach policy.

In addition to the rating, the follows should be taken into account:

- a. Sovereign issuers: government bonds are allowed if they are issued by countries with a low corruption and ML/TF risk rating. Government bonds issued by country with higher corruption and ML/TF risk are identified by either of the following:
 - World Check Country Rating;
 - FATF High Risk and monitored jurisdictions;
 - EU, UN and OFAC Sanctions;
 - Corruption Perception Index (CPI);
 - Know Your Country data (KYC);

Government bonds issued by country having a significant level of corruption or other predicate offences to ML/TF are forbidden.

- b. The targeted open-ended UCIs/UCITS: mutual funds are included solely when all the following conditions are met:
 - They are at least classified as article 8 funds according to Regulation (EU) 2019/2088 ("SFDR");
 - They consider principal adverse impacts on sustainability factors on their investment decisions; and
 - Their minimum percentage of sustainable investments is equal or higher than NEF Ethical Total Return Bond (5%).

Green Bonds, Social Bonds, Sustainable Bonds, and all bonds linked to Sustainable / ESG / SDGs projects are accepted irrespective of the issuer. Bonds issued by Supranational issuers are accepted irrespective of the issuer.

** The Investment Manager developed a proprietary "Sustainability Rating" that leverages their internal research capabilities and their engagement with companies. Through the sustainability ratings framework, Fidelity assesses the exposure of financial securities to sustainability risks and principal adverse impacts.*

Data sources and processing

Investment Manager level

The data is obtained from a combination of internal and external sources - such as MSCI for ESG ratings, Institutional Shareholder Services (ISS) ESG for carbon and climate data and UN Global Compact violators, Moody's and FactSet for EU taxonomy data, alongside many others. A proportion of the data is also internally sourced, including the Fidelity Sustainability Rating, which complements the third-party sourced ESG ratings and controversy data for the exclusions and qualitative assessment.

Measures taken to ensure data quality

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.

How data is processed

Data is processed in accordance with applicable local laws on processing of data and in accordance with Fidelity's policies on data processing.

Proportion of data that is estimated

Fidelity does not generally estimate data, although may do so in certain circumstances. External data providers may estimate data.

Management Company level

The Management Company, in his role of oversight, uses the following data sources:

- ESG score: Refinitiv, ISS,
- the exclusion process uses: Refinitiv,
- the valuation of sustainability risk is mainly based on Refinitiv data and ISS Datadesk data. Whenever the issuer's sustainability risk cannot be measured by neither Refinitiv nor ISS Datadesk, the Investment Manager is requested to submit his internal ESG score and analysis which is further analysed by NEAM and compared with other ESG ratings providers and others public information.

Measures taken to ensure data quality

The quality of the data is ensured by the comparison of different data service providers available at Manco level (Refinitiv and ISS) as well as through the comparison with delegated Investment manager evidence and public information.

How data is processed

In the case of Refinitiv and ISS the data processing is automatic. In the case data are processed manually the Management Committee is reviewing the analysis performed by the risk team to ensure a final cross-review.

Limitation to methodologies and data

As of today, no common industry framework has been established to assess or detect violation of sectoral exclusions or international norms such as the United Nations Global Compact. The data used is in part provided by external data providers, which may apply different models and may contain inaccurate or incomplete data. The lack of a harmonised methodology has led data providers to use different frameworks, which often implies subjectivity, resulting in different results. These methodologies may also vary for each data provider. Integration of new information, revision of the current framework or harmonisation of the methodology between data providers are examples of operational events that can result in the reassessment of an issuer and could trigger an exclusion. However, these challenges are not expected to have a material impact on the fund's ability to achieve the environmental or social characteristics. It is not expected that such operational constraints might result in a material deviation from a fund's behavioural and sectoral exclusion methodologies.

Due diligence

The Investment Manager assesses the issuer it considers eligible as per the investment universe by conducting an appropriate due diligence.

Due Diligences are carried out by reference to ESG ratings, which incorporate analysis of the environmental and social characteristics of an issuer and on principal adverse impacts on sustainability factors, which are those impacts of investment decisions that result in material negative impacts on environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters such as environment degradation, poor labour practice, and unethical corporate behaviour for example bribery and corruption ("principal adverse impacts").

Analysis of whether these impacts are material and negative is undertaken by Fidelity's investment team using the due diligence processes described in the Fidelity Sustainable Investing Policy. In accordance with Fidelity's Sustainable Investment Policy which covers, among others, the consideration of principal adverse impacts, Fidelity's investment team may take into account the size, nature and scale of investment and the type of financial product Fidelity is investing in when considering whether an investment decision has a principal adverse impact on sustainability factors. Furthermore, Fidelity also uses engagement as a tool to better understand issuers and, in some circumstances, advocate for change.

Engagement policies

Engaging with companies on environmental, social and governance issues reflects Fidelity's belief that active ownership can contribute to the long-term sustainability of a company and positive investor returns. Engagements are undertaken for two reasons: to gain a deeper understanding of a company's ESG practices to better inform Fidelity's investment decisions; and to use Fidelity's influence to improve the sustainability practices of the companies it invests in. For further information on Fidelity's engagement policy, please refer to Fidelity's Sustainable Investing Policy.

Fidelity ensures that votes are exercised in a sustainable manner, taking into account the Regulation (EU) 2019/2088 and the related regulatory framework. The Management Company encourages investment managers to take part in the active and responsible role as shareholder in the companies the sub-fund(s) invest in with emphasis on sustainability, activity and responsibility.