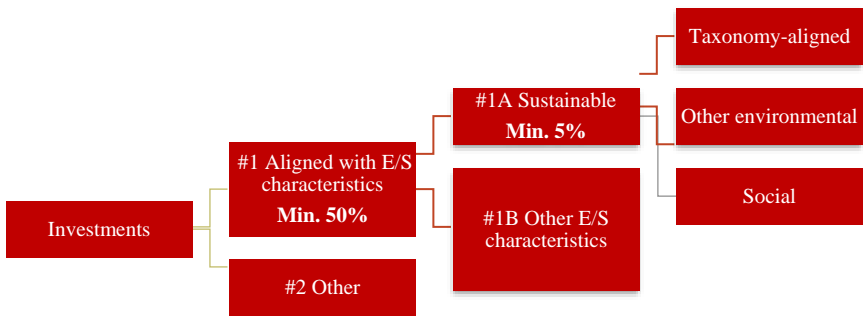


LUX IM – FIDELITY GLOBAL LOW DURATION (“Sub-fund”)

Sustainability-related disclosures required for Article 8 financial products under the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector

Section	Disclosure
No sustainable investment objective	<p>The Sub-fund promotes environmental or social characteristics, but does not have as its objective sustainable investment.</p> <p>The Sub-fund will allocate a minimum of 5% of its assets in sustainable investments in accordance with Article 2 (17) SFDR.</p> <p>Sustainable investments are determined as follows:</p> <p>(a) investments in issuers that undertake economic activities that contribute to one or more of the environmental objectives set out in the EU Taxonomy and qualify as environmentally sustainable in accordance with EU Taxonomy; or</p> <p>(b) investments in issuers whereby the majority of their business activities (more than 50% of revenues) contribute to environmental or social objectives aligned with one or more of the United Nations Sustainable Development Goals (“SDGs”); or</p> <p>(c) investments in issuers which have set a decarbonisation target consistent with a 1.5 degree warming scenario or lower (verified by the Science Based Target Initiative or a Fidelity Proprietary Climate Rating) which would be considered to contribute to environmental objectives; provided they do no significant harm, meet minimum safeguards and good governance criteria.</p>
Environmental or social characteristics of the financial product	<p>The Sub-fund invests in securities of issuers that contribute to the Sub-fund’s promoted environmental and social characteristics, such as but not limited to climate change mitigation and adaptation, water and waste management and biodiversity, product safety, supply chain, health and safety and human rights.</p>
Investment strategy	<p>The investment objective of the Sub-fund is to provide an attractive level of income over a full market cycle essentially through investments, without any geographic, industry and currency limitation, in a diversified portfolio of debt securities, including, but not limited to, investment grade, high yield and emerging markets bonds and Money Market Instruments including time deposits which comply with the eligibility criteria stated in the UCI Law and in the Grand-Ducal Regulation of February 8, 2008, as amended from time to time, relating to certain definitions of the UCI Law. In order to achieve its investment objective, the portfolio construction will combine a “Top-down” asset allocation strategy based on the analysis of the economic factors likely to influence the various fixed income asset classes with a “Bottom-up” security selection strategy based on the fundamental analysis of the single issuers. The ESG analysis of the target issuers relies on internal research activity complemented with external research and data from specialised external providers and encompasses negative screening, positive screening and assessment of the positive contribution to sustainable investments.</p> <p>Target investments are subject to the following sustainability indicators, in order to assess their eligibility for investment by the Sub-fund and thus to measure the attainment of the pursued environmental and social characteristics:</p> <ul style="list-style-type: none"> ▪ Negative screening: exclusion of target issuers involved in controversial conduct and/or activities; ▪ Positive screening: investment in companies that contribute to the environmental and social objectives pursued by the Sub-fund. ▪ Consideration of principal adverse impacts (PAI) <p>Good governance practices are assessed for each target issuer during the investment due diligence process as well as when the target issuers’ investments will be held by the Sub-fund. Processes with respect to general governance considerations, compliance with social and labour standards, tax considerations and compensation schemes are assessed.</p>
Proportion of investments	<p>The Sub-Fund will invest at least 50% of its net assets in investments that are aligned to the promoted environmental and/or social characteristics. (# 1). The minimum proportion of sustainable investments is 5%. (#1A) of which a minimum of 0% have an environmental objective (which is aligned with the EU Taxonomy), a minimum of 0% have an environmental objective (which is not aligned with the EU Taxonomy) and a minimum of 0% have a social objective.</p> <p>To classify as sustainable investments, target issuers satisfy at least one of the below requirements:</p> <p>(a) undertake economic activities that contribute to one or more of the environmental objectives set out in the EU Taxonomy and qualify as environmentally sustainable in accordance with EU Taxonomy; or</p> <p>(b) the majority of their business activities (more than 50% of revenues) contribute to environmental or social objectives aligned with one or more of the United Nations Sustainable Development Goals (“SDGs”); or</p> <p>(c) have set a decarbonisation target consistent with a 1.5 degree warming scenario or lower (verified by the Science Based Target Initiative or a Fidelity Proprietary Climate Rating) which would be considered to contribute to environmental objectives; provided they do no significant harm, meet minimum safeguards and good governance criteria.</p> <p>A target issuer that satisfy at least one of the above criteria is considered as sustainable in its entirety.</p> <p>The remaining investments of the Sub-fund (“#2 Other”) may be invested in (i) ancillary cash and cash equivalents for liquidity purposes within the limits prescribed by applicable laws , (ii) derivatives which may be used for hedging and investment purposes as per the applicable provisions of the Investment Policy of the Sub-</p>

Section	Disclosure
	<p>fund; (iii) securities of issuers not aligned with the promoted environmental or social characteristics, and may be used within the Sub-fund's investment objective of attractive level of income over a full market cycle. As a minimum environmental and social safeguards, all direct investments included under “#2 Other” are subject to the negative screening.</p>  <pre> graph LR Investments --> A["#1 Aligned with E/S characteristics Min. 50%"] Investments --> B["#2 Other"] A --> C["#1A Sustainable Min. 5%"] A --> D["#1B Other E/S characteristics"] C --> E["Taxonomy-aligned"] C --> F["Other environmental"] C --> G["Social"] </pre>
Monitoring of environmental or social characteristics	<p>The ESG analysis of the target issuers relies on internal research activity complemented with external research and data from specialised external providers.</p> <p>The Investment Manager integrates the ESG analysis within the following investments selection processes:</p> <ul style="list-style-type: none"> ▪ Negative screening (severe controversies and specific activities, e.g. controversial and nuclear weapons; conventional weapons; semi-automatic firearms; adult entertainment; coal; tobacco; gambling; oil sands; arctic oil and gas) ▪ Positive screening (ESG evaluation for each target issuer through ESG ratings provided by external providers and the Fidelity Sustainability Ratings) ▪ PAI consideration <p>The following binding elements are used to select investments to attain the characteristics promoted:</p> <p>The Sub-fund invests:</p> <ol style="list-style-type: none"> A minimum 50% of its net assets in issuers with favourable ESG characteristics, as per the above described ESG evaluations (further details on the methodology applied are set out at https://fidelityinternational.com/sustainable-investing-framework/ and may be updated from time to time); a minimum of 5% of its net assets in sustainable investments of which a minimum of 0% have an environmental objective (which is not aligned with the EU Taxonomy) and a minimum of 0% have a social objective
Methodologies for environmental or social characteristics	<p>In order to attain the promoted environmental and social characteristics, the eligibility of target issuers is assessed based on Positive screening, Negative screening, and consideration of principal adverse impacts.</p> <p>Internal controls are in place in respect of investment decision making for the Sub-fund. These include, but are not limited to, pre-trade and post-trade controls to ensure all applicable binding elements are observed at all times and independent oversight by risk management functions as required.</p>
Data sources and processing	<p>The data sources used to attain the stated environmental and social characteristics is obtained from a combination of internal and external sources, including multiple recognised industry vendors.</p> <p>Each external data provider undergoes a thorough vetting process to ensure they offer appropriate levels of coverage and accuracy.</p>
Limitations to methodologies and data	<p>The limitations to the attainment of the promoted environmental and social characteristics are deemed non-material for the attainment of the environmental or social characteristics promoted by the Sub-fund.</p>
Due Diligence	<p>In order to qualify for initial investment, the investments must comply with the binding elements applied by the Sub-fund. This compliance has to be ensured by the Investment Manager through pre-trade compliance mechanism in place.</p>
Engagement Policies	<p>Engaging with companies on environmental, social and governance issues reflects the Investment Manager's belief that active ownership can contribute to the long-term sustainability of a company and positive investor returns.</p>
Designated reference benchmark	<p>No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.</p>