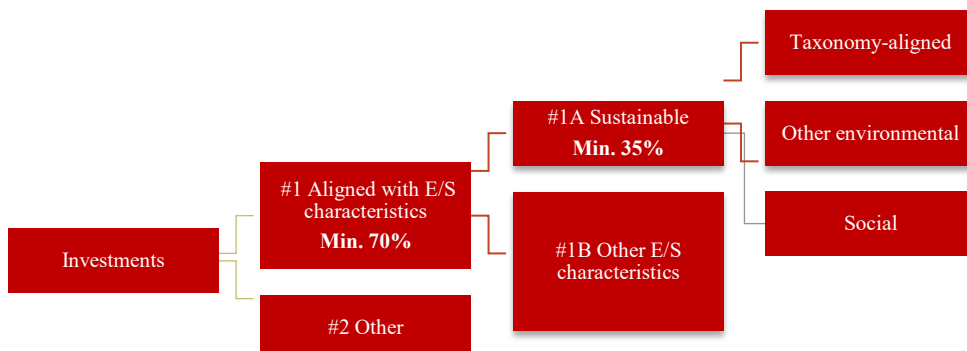


**LUX IM – ESG FIDELITY CIRCULAR ECONOMY (“Sub-fund”)**

**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
<b>No sustainable investment objective</b>	<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 35% 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>
<b>Environmental or social characteristics of the financial product</b>	<p>The Sub-fund invests in securities of issuers that contribute to the Sub-fund’s promoted environmental and social characteristics, such as companies involved in the research, development, manufacture and distribution of products and services which contribute to foster the circular economy, across various categories: (i) regenerative supplies (i.e. providers of alternative energy, recyclable input material, etc...); (ii) extension of product life (i.e. providers and/or users of repairing, upgrading and reselling products and components, sustainable packaging etc...); (iii) collection and recycling (i.e. waste management, recycling etc...); (iv) sharing ownership (i.e. providers and/or users of shared products and services, digital platforms etc...). As a consequence, the asset allocation of the Sub-fund will follow a thematic environmental approach backed by global drivers such as population growth, higher wealth and consumption, regulation and healthcare needs, resource scarcity, and climate change.</p>
<b>Investment strategy</b>	<p>The investment objective of the Sub-fund is to provide capital growth over the long term through a diversified exposure to companies involved in the research, development, manufacture and distribution of products and services which contribute to foster the circular economy, across various categories: (i) regenerative supplies (i.e. providers of alternative energy, recyclable input material, etc...); (ii) extension of product life (i.e. providers and/or users of repairing, upgrading and reselling products and components, sustainable packaging etc...); (iii) collection and recycling (i.e. waste management, recycling etc...); (iv) sharing ownership (i.e. providers and/or users of shared products and services, digital platforms etc...). As a consequence, the asset allocation of the Sub-fund will follow a thematic environmental approach backed by global drivers such as population growth, higher wealth and consumption, regulation and healthcare needs, resource scarcity, and climate change. 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"> <li>▪ Negative screening: exclusion of target issuers involved in controversial conduct and/or activities;</li> <li>▪ Positive screening: investment in companies that contribute to the environmental and social objectives pursued by the Sub-fund.</li> <li>▪ Consideration of principal adverse impacts (PAI)</li> </ul> <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>
<b>Proportion of investments</b>	<p>The Sub-Fund will invest at least 70% 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 35%. (#1A) of which a minimum of 1% have an environmental objective (which is aligned with the EU Taxonomy), a minimum of 15% 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</p>

Section	Disclosure
	<p>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-fund; (iii) securities of issuers that are able to demonstrate that they are on an improving trajectory with respect to their ESG characteristics, and may be used within the Sub-fund’s investment objective of capital growth over the long term.</p> <p>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 --&gt; Min70["#1 Aligned with E/S characteristics Min. 70%"]     Investments --&gt; Min35["#1A Sustainable Min. 35%"]     Investments --&gt; Min0["#2 Other"]     Min70 --&gt; Min35     Min70 --&gt; Min0     Min35 --&gt; Taxonomy["Taxonomy-aligned"]     Min35 --&gt; OtherEnv["Other environmental"]     Min35 --&gt; Social["Social"] </pre>
<b>Monitoring of environmental or social characteristics</b>	<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"> <li>▪ 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)</li> <li>▪ Positive screening (ESG evaluation for each target issuer through ESG ratings provided by external providers and the Fidelity Sustainability Ratings)</li> <li>▪ PAI consideration</li> </ul> <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"> <li>a minimum 70% 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 <a href="https://fidelityinternational.com/sustainable-investing-framework/">https://fidelityinternational.com/sustainable-investing-framework/</a> and may be updated from time to time);</li> <li>a minimum of 35% of its net assets in sustainable investments of which 1% have an environmental objective which is aligned with the EU Taxonomy, a minimum of 15% have an environmental objective (which is not aligned with the EU Taxonomy) and a minimum of 0% have a social objective.</li> </ol>
<b>Methodologies for environmental or social characteristics</b>	<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>
<b>Data sources and processing</b>	<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>
<b>Limitations to methodologies and data</b>	<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>
<b>Due Diligence</b>	<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>
<b>Engagement Policies</b>	<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>
<b>Designated reference benchmark</b>	<p>No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.</p>