

**Periodic disclosure for financial products referred to in Article 8(1) of Regulation (EU) 2019/2088 and Article 6 of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name:  
Fidelity UCITS ICAV - Fidelity Sustainable Research Enhanced Pacific ex-Japan Equity UCITS ETF

Legal entity identifier:  
2549009VS6NGTW2P1T22

**Environmental and/or social characteristics**

<b>Does this financial product have a sustainable investment objective ?</b>	
● ● <input type="checkbox"/> Yes	● ● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It made <b>sustainable investments with a social objective: __%</b>	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 31.81% of sustainable investments <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



**To what extent were the environmental and/or social characteristics promoted by this financial product met?**

**Sustainability Indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The sub-fund met the environmental and social characteristics it promoted as defined in the SFDR precontractual disclosure for the period. The sub-fund promoted environmental and social characteristics by investing in securities of issuers with favourable ESG characteristics. Favourable ESG characteristics were determined by reference to ESG ratings. ESG ratings considered environmental characteristics including carbon intensity, carbon emissions, energy efficiency, water and waste management and biodiversity, as well as social characteristics including product safety, supply chain, health and safety and human rights. Please refer to the website for more information

No reference benchmark was designated for the purpose of attaining the environmental and social characteristics promoted.

Where the sub-fund invested in economic activities that qualify as environmentally sustainable under the EU Taxonomy, this contributed towards the climate change mitigation and/or adaptation environmental objectives.

The sustainable investments figures in this periodic disclosure are as at 30 December 2022.

### **How did the sustainability indicators perform?**

The performance of the sustainability indicators the sub-fund used to measure the attainment of the sustainable environmental or social characteristics that it promoted was:

- i) 95% of the sub-fund was invested in securities of issuers with favourable ESG characteristics in accordance with Fidelity's Sustainable Investing Framework;
- ii) in respect of its direct investments, 0% of the sub-fund was invested in securities of issuers with exposure to the Exclusions (as defined below);
- iii) 31.81% of the sub-fund was invested in sustainable investments;
- iv) 1.43% of the sub-fund was invested in sustainable investments with an environmental objective in economic activities (that qualify as environmentally sustainable under the EU Taxonomy);
- v) 11.53% of the sub-fund was invested in sustainable investments with an environmental objective in economic activities (that do not qualify as environmentally sustainable under the EU Taxonomy); and
- vi) 18.85% of the sub-fund invested in sustainable investments with a social objective.

**Principal adverse impacts** are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

### **... and compared to previous periods?**

Not applicable as this is the first reporting period.

### **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

While the sub-fund did not have as its objective a sustainable investment, it had a proportion of 31.81% of sustainable investments. The sustainable investments had an environmental or social objective.

The sub-fund determined a sustainable investment as follows:

- (a) 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. This contributed towards the climate change mitigation and adaptation economic objectives; or
  - (b) issuers whereby the majority of their business activities (more than 50% of revenue) contributed to environmental or social objectives aligned with one or more of the United Nations Sustainable Development Goals ("SDGs"); or
  - (c) issuers which 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 was considered to contribute to environmental objectives;
- provided they do no significant harm, meet minimum safeguards and good governance criteria.

### **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments are screened for involvement in activities that cause significant harm and controversies, assessed through a check that the issuer meets minimum safeguards and standards that relate to principal adverse impacts (PAIs) as well as for performance on PAI metrics. This includes:

Norms-based screens - the screening out of securities identified under Fidelity's norms based screens (as set out below);

Activity-based screens - the screening out of issuers based on their participation in activities with significant negative impacts on society or the environment, including issuers that are considered to have a 'Very Severe' controversy using controversy screens, covering 1) environmental issues, 2) human rights and communities, 3) labour rights and supply chain, 4) customers, 5) governance; 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.

### ***How were the indicators for adverse impacts on sustainability factors taken into account?***

For sustainable investments, as set out above, Fidelity undertook a quantitative evaluation to identify issuers with challenging performance on PAI indicators. Issuers with a low score were ineligible to be 'sustainable investments' unless Fidelity's fundamental research determined that the issuer was not breaching "do no significant harm" requirements or was on the path to mitigate the adverse impacts through effective management or transition.

### ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Norms-based screens were applied: Issuers identified as failing to behave in a way which met their fundamental responsibilities in the areas of human rights, labour, environmental and anti-corruption as aligned with international norms including those set out by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, UN Global Compact (UNGC), ILO Standards International Labour Organisation (ILO) Conventions, were not considered to be sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



## How did this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts on sustainability factors were considered through and incorporated into investment decisions through a variety of tools, including:

(i) Due Diligence - analysis of whether principle adverse impacts were material and negative.  
(ii) ESG rating - Fidelity references ESG ratings which incorporate material principal adverse impacts such as carbon emissions, employee safety and bribery and corruption, water management. For sovereign issued securities, principal adverse impacts were considered through and incorporated into investment decisions using ratings which incorporate material principal adverse impacts such as carbon emissions, social violations and freedom of expression.  
(iii) Exclusions - When investing directly in corporate issuers, the sub-fund applied the Exclusions (as defined below) to help mitigate PAI through excluding harmful sectors and prohibiting investment in issuers that breach international standards, such as the UNGC. In respect of its direct investments, the sub-fund is subject to:

1. a firm-wide exclusions list, which includes cluster munitions and anti-personnel landmines, and  
2. a principle-based screening policy which includes:

(a) norms-based screening of issuers which the investment manager considers have failed to conduct their business in accordance with international norms, including as set out in the UNGC; and

(b) negative screening of certain sectors, issuers or practices based on specific ESG criteria where revenue thresholds may be applied.

The above exclusions and screens (the “Exclusions”) may be updated from time to time. Please refer to the [website](#) for more information. (iv) Engagement - Fidelity used engagement as a tool to better understand principal adverse impacts on sustainability factors and, in some circumstances, advocate for enhancing principal adverse impacts and sustainability metrics. Fidelity participated 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).

(v) Voting - Fidelity’s voting policy included explicit minimum standards for board gender diversity and engagement with climate change. Fidelity may also vote to enhance issuer performance on other indicators.

(vi) Quarterly reviews - monitoring of principal adverse impacts through the sub-fund’s quarterly review process.

The specific PAI indicators that were taken into consideration were subject to data availability and may evolve with improving data quality and availability.



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 2022-02-01 / 2023-01-31

Largest investments	Sector	% Assets	Country
BHP GROUP LTD	Materials	8.72%	Australia
AIA GROUP LTD	Financials	7.48%	Hong Kong
COMMONWEALTH BANK OF AUSTRAL	Financials	7.18%	Australia
CSL LTD	Health Care	5.65%	Australia
NATIONAL AUSTRALIA BANK LTD	Financials	3.17%	Australia
MACQUARIE GROUP LTD	Financials	3.15%	Australia
DBS GROUP HOLDINGS LTD	Financials	3.05%	Singapore
HONG KONG EXCHANGES & CLEAR	Financials	2.32%	Hong Kong
WOOLWORTHS GROUP LTD	Consumer Staples	2.15%	Australia
WOODSIDE ENERGY GROUP LTD	Energy	2.11%	Australia
WESTPAC BANKING CORP	Financials	2.07%	Australia
UNITED OVERSEAS BANK LTD	Financials	1.94%	Singapore
SUN HUNG KAI PROPERTIES	Real Estate	1.92%	Hong Kong
GOODMAN GROUP	Real Estate	1.65%	Australia
BOC HONG KONG HOLDINGS LTD	Financials	1.60%	Hong Kong

The top investments table is populated based on the weighted average of the investment during the reference period.



## What was the proportion of sustainability-related investments?

**Asset allocation** describes the share of investments in specific assets.

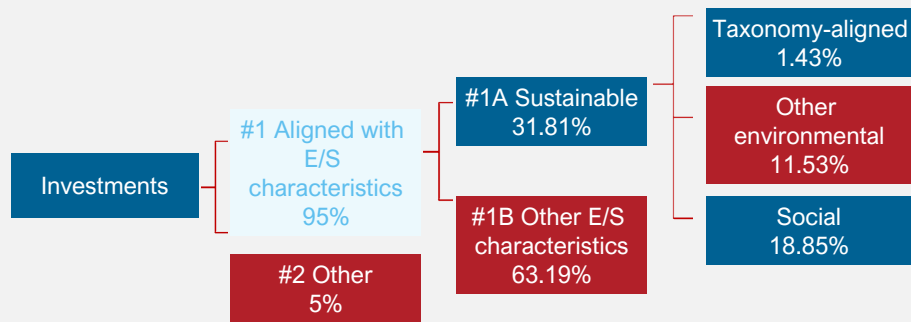
The sub-fund invested 31.81% in sustainable investments.

### What was the asset allocation?

(#1 aligned with E/S characteristics) The sub-fund invested in:

1. 95% of its assets in securities of issuers with favourable ESG characteristics;
2. 31.81% in sustainable investments (#1A sustainable)\* of which 1.43% have an environmental objective (which is aligned with the EU Taxonomy), 11.53% have an environmental objective (which is not aligned with the EU Taxonomy) 18.85% have a social objective.

(#1B Other E/S characteristics) Includes securities of issuers with favourable ESG characteristics but are not sustainable investments.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

## In which economic sectors were the investments made?

Sector	Sub Sector	%of NAV as at January 31, 2023
Communication Services	Telecommunication Services	2.66%
	Media & Entertainment	1.91%
Consumer Discretionary	Consumer Services	3.19%
	Consumer Discretionary Distribution & Retail	1.15%
Consumer Staples	Consumer Staples Distribution & Retail	3.37%
	Food, Beverage & Tobacco	1.38%
Energy	Energy	4.40%
Financials	Insurance	9.85%
	Financial Services	5.90%
	Banks	21.92%
Health Care	Pharmaceuticals, Biotechnology & Life Sciences	5.60%
	Health Care Equipment & Services	1.51%
Industrials	Capital Goods	2.44%
	Commercial & Professional Services	1.96%
	Transportation	1.79%
Information Technology	Software & Services	1.45%
	Technology Hardware & Equipment	0.63%
	Semiconductors & Semiconductor Equipment	0.46%
Materials	Materials	15.29%
Real Estate	Equity Real Estate Investment Trusts (REITs)	7.06%
	Real Estate Management & Development	3.82%
Utilities	Utilities	2.26%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.



### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sub-fund invested 1.43% in sustainable investments with an environmental objective aligned with the EU Taxonomy. This contributed towards the climate change mitigation and adaptation economic objectives.

The compliance of the investments of the sub-fund with the EU Taxonomy was not subject to an assurance by auditors or a review by third parties.

The taxonomy alignment of the underlying investments of the sub-fund is measured by turnover.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

- Yes  
 In fossil gas  In nuclear energy  
 No

<sup>1</sup>Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



are sustainable investments with an environmental objective **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



### What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The sub-fund invested 11.53% in sustainable investments with an environmental objective that was not aligned with the EU Taxonomy.



### What was the share of socially sustainable investments?

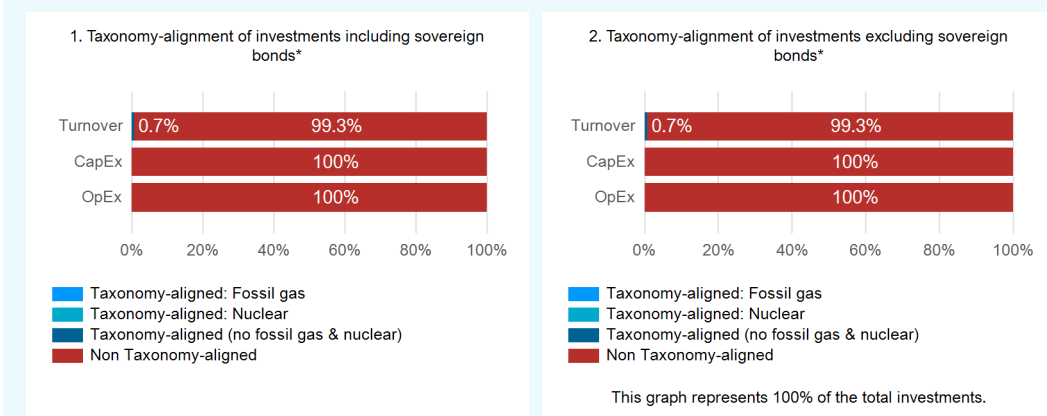
The sub-fund invested 18.85% in sustainable investments with a social objective.



### What investments were included under “#2 Other”, what was their purpose and were there any minimum environmental or social safeguards?

The remaining investments of the sub-fund were invested in assets aligned with the financial objective of the sub-fund, cash and cash equivalents for liquidity purposes and derivatives which were used for investment and efficient portfolio management. As a minimum environmental and social safeguard, the sub-fund adhered to the Exclusions.

The two graphs below show in dark blue the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

The above charts display all investments in the portfolio that were taxonomy aligned as at 31 January 2023. The EU taxonomy figures disclosed may differ due to differences in the calculation methodology applied

### What was the share of investments made in transitional and enabling activities?

The share of the fund made in Enabling Activity: 0%; Transitional Activity: 0%, measured by Turnover.

### How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable as this is the first reporting period.





## What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The sub-fund promoted environmental and social characteristics by investing in securities of issuers with favourable ESG characteristics. Favourable ESG characteristics are determined by reference to ESG ratings. Additionally, we have a Quarterly Sustainability Review for all our Article 8 funds, to discuss the fund's qualitative and quantitative ESG characteristics, and whether they are consistent with requirements. This is an extension of our pre-existing risk and compliance processes. Where appropriate we have actively engaged with issuers.



## How did this financial product perform compared to the reference benchmark?

An Index has not been designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.

**Reference benchmarks** are indexes to measure whether financial products attain the environmental or social characteristics that they promote.