FIDELITY SUSTAINABLE EUROPEAN EQUITY FUND - STOCK SELECTION PROCESS

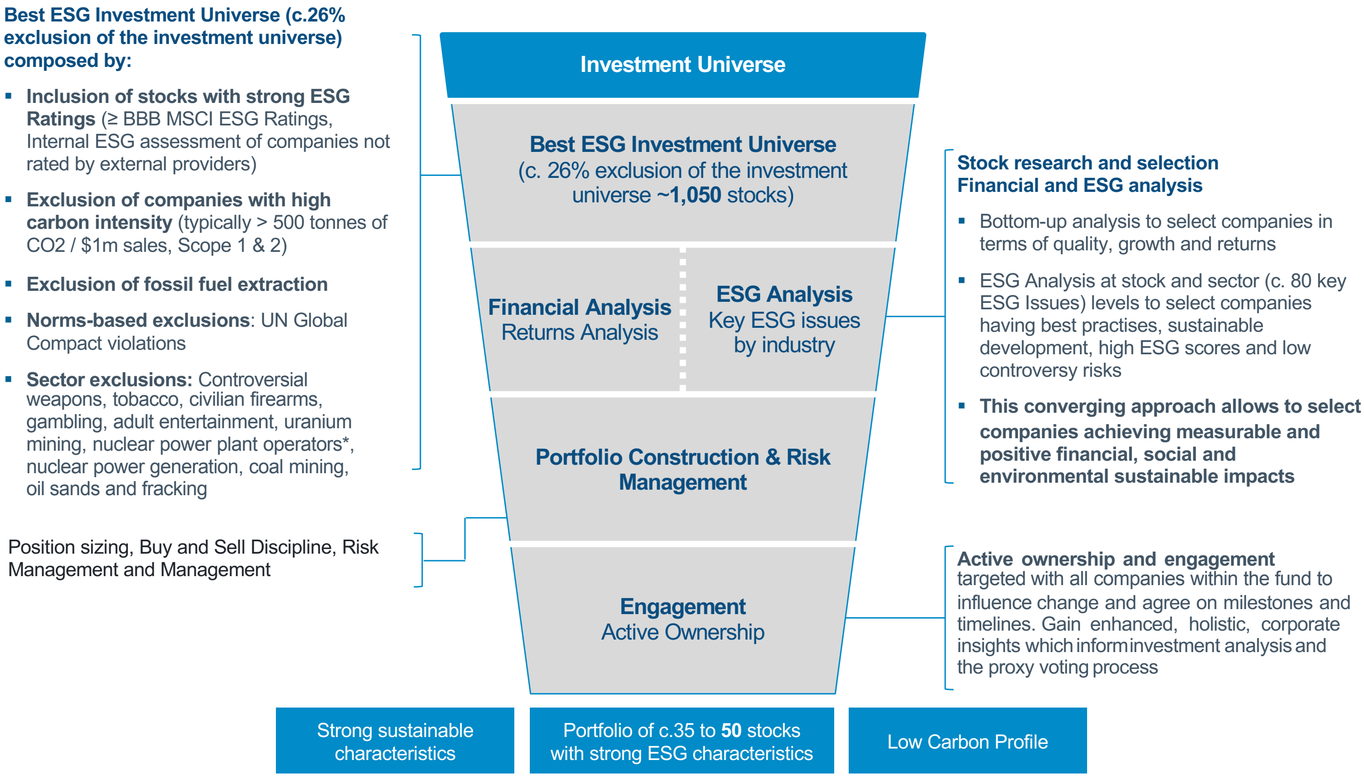
Important Information:
The value of investments can go down as well as up so you may get back less than you invest.
The Portfolio Manager focuses on securities of companies which maintain strong environmental, social and governance ("ESG") credentials may result in a return that could, at times, compare less favourably to similar products without such focus. No representation nor warranty is made with respect to the fairness, accuracy or completeness of such credentials. The status of a security's ESG credentials can change over time.

The Portfolio Manager focuses on companies with the best sustainable models, both in terms of financial and 'non-financial' performances. He has a strong conviction that this convergence, in the stock selection process, will bring measurable and positive sustainable impacts to our clients.

The investment universe is driven by selecting companies with strong and improving ESG characteristics, whilst aiming to achieve compelling long-term financial performance and out performance of its benchmarks. A summary of our Portfolio Manager's approach to achieving this is set out below.

Fidelity Sustainable European Equity Fund: framework

Focus on sustainable positive returns through constructive engagement



Source: Fidelity International, 2021. For illustrative purposes only. Opportunity set shown is representative of typical criteria, but may change from time to time in order to ensure desired investment characteristics are achieved in line with the fund's investment objective as stated in the prospectus. *This includes operators of nuclear power plants and/or manufacturers of essential components for nuclear plants (i.e. companies that supply key nuclear specific products to the nuclear power industry). Sector exclusions are based on a 5% turnover threshold and are applied at issuer level.

The investment process can be broken down into four separate stages:

1. Defining a best ESG investment universe

The Best ESG Investment Universe only comprises of sustainable leaders with strong ESG credentials and low carbon footprints. This is narrowed down by:

a) Inclusion of stocks with minimum ESG Ratings (≥ BBB MSCI ESG Ratings, Internal ESG assessment of companies not rated by external providers)
b) Exclusion of companies with high carbon intensity (Typically > 500 tonnes of CO_2 / $1m sales, Scope 1 & 2)
c) Exclusion of fossil fuel extraction*
d) Norms-based Exclusions : UN Global Compact violations
e) Sector Exclusions (*): controversial weapons, tobacco, civilian firearms, gambling, adult entertainment, uranium mining, nuclear power plant operators, nuclear power generation, coal mining, oil sands and fracking

(*) The fund will not hold companies that generate >5% revenue from these sectors related activities

2. Stock research and selection

Stock search and selection is done through the fundamental analysis process, which involves both financial and ESG analysis. The Portfolio Manager uses bottom-up analysis to select companies in terms of quality, growth and returns and an ESG analysis at stock and sector (c. 80 key ESG Issues) levels to select companies having best practises, sustainable development, high ESG scores and low controversy risks. This converging approach allows the Portfolio Manager to select a portfolio with strong sustainable characteristics, achieving measurable, positive and sustainable impacts that contribute to specific investible Sustainable Development Goals. All positive impacts generated by the fund are the result of this stock selection process.

3. Portfolio construction (well defined buy and sell discipline) and risk control

Final selection and position sizing are based on conviction level, liquidity, concentration risk, market timing and other supportive catalysts and events. The final portfolio is comprised of stock with strong ESG characteristics, with highest conviction names making up for larger positions.

4. Engagement with all companies in the portfolio through an active ownership framework

Active ownership and engagement with all companies held within the fund to influence change and agree on milestones and timelines. Gain enhanced, holistic, corporate insights which influence investment analysis and the proxy voting process.

FIDELITY'S SUSTAINABILITY INVESTMENT CRITERIA

The Portfolio Manager uses MSCI ESG Ratings to assess the sustainability credentials of companies, which focus on industry-specific risks and opportunities across 37 key issues. These are summarised below:

3 Pillars	10 Themes	37 ESG Key Issues	
Environment	Climate Change	Carbon Emissions	Financing Environmental Impact
		Product Carbon Footprint	Climate Change Vulnerability
	Natural Resources	Water Stress	Electronic Waste
		Biodiversity & Land Use	Raw Material Sourcing
	Pollution & Waste	Toxic Emissions & Waste	
		Packaging Material & Waste	
	Environmental Opportunities	Opportunities in Clean Tech	Opportunities in Renewable Energy
		Opportunities in Green Building	
Social	Human Capital	Labor Management	Human Capital Development
		Health & Safety	Supply Chain Labor Standards
	Product Liability	Product Safety & Quality	Privacy & Data Security
		Chemical Safety	Responsible Investment
		Financial Product Safety	Health & Demographic Risk
	Stakeholder Opposition	Controversial Sourcing	
	Social Opportunities	Access to Communications	Access to Health Care
		Access to Finance	Opportunities in Nutrition & Health
Governance	Corporate Governance	Board	Ownership
		Pay	Accounting
	Corporate Behavior	Business Ethics	Corruption & Instability
		Anti-Competitive Practices	Financial System Instability
		Tax Transparency	

Source: MSCI ESG Research, October 2019. More information on MSCI ESG Ratings methodology is available on MSCI website

Carbon emissions exposure is consistently monitored through our quarterly review process across our Fidelity Funds Sustainable Family equity funds and we incorporate these factors into our investment analysis across sectors where it is material.

In addition to our own proprietary research, Fidelity receives thematic and company-specific ESG broker research which is distributed to analysts highlighting the ESG issues relevant to their sectors and the investment and regulatory risk and opportunities facing the companies that they cover.

During our research and engagement, we often look at the following issues at company level:

- Actions taken by the company to increase energy efficiency and reduce GHG emissions;
- Company's preparedness for potential regulations on climate change and market changes, including technology development;
- Potential impact of increased carbon price on the company's activities and sustainability of its business model;
- Implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), notably transparency and scenario planning;
- Consistency of their lobbying efforts and their commitments with regards to climate change.

DISCLAIMERS

This information must not be reproduced or circulated without prior permission. Fidelity only offers information on products and services and does not provide investment advice based on individual circumstances, other than when specifically stipulated by an appropriately authorised firm, in a formal communication with the client.

Fidelity International refers to the group of companies which form the global investment management organisation that provides information on products and services in designated jurisdictions outside of North America. This communication is not directed at, and must not be acted upon by persons inside the United States and is otherwise only directed at persons residing in jurisdictions where the relevant funds are authorised for distribution or where no such authorisation is required.

Unless otherwise stated all products and services are provided by Fidelity International, and all views expressed are those of Fidelity International. Fidelity, Fidelity International, the Fidelity International logo and F symbol are registered trademarks of FIL Limited.

Research professionals include both analysts and associates.

The Key Investor Information Document (KIID) is available in English and can be obtained from our website at **www.fidelityinternational.com**. The Prospectus may also be obtained from Fidelity. The Key Investor Information Document (KIID) for Fidelity and non-Fidelity funds is available in English and can be obtained from our website at **www.fidelityinternational.com**. The Prospectus for Fidelity funds may also be obtained from Fidelity. For non-Fidelity funds, the KIID and the Prospectus are also available from the fund provider directly.

The Authorised Corporate Director of Fidelity Investment Funds, Fidelity Investment Funds 2, Fidelity Investment Funds III and Fidelity Investment Funds IV OEIC is FIL Investment Services (UK) Limited. Issued by FIL Investment Services (UK) Limited, a firm authorised and regulated by the Financial Conduct Authority.

UKSSO11519-0321

Fidelity INTERNATIONAL

UKM0121/33069/SSO/0122