

# Environmental Sustainability at Fidelity

2022 Annual Environmental Sustainability Report



## About Fidelity

Fidelity's mission is to strengthen the financial well-being of our customers and deliver better outcomes for the clients and businesses we serve.

With assets under administration of \$11.5 trillion, including discretionary assets of \$4.4 trillion as of September 30, 2023, we focus on meeting the unique needs of a diverse set of customers. Privately held for 77 years, Fidelity employs more than 73,000 associates who are focused on the long-term success of our customers. For more information about Fidelity Investments, visit [About Fidelity](#).

Cover photo: A sunny fall morning on Fidelity's Smithfield, Rhode Island campus.

## Introduction

Sustainable operations enhance our capacity to deliver on our mission. In a world where climate change continues to present challenges, prudently managing the environmental impact of Fidelity's operations is not only our responsibility in the communities where we operate, but will help support the long-term resilience of our business.

We apply our "Investor Mindset" when driving sustainability across Fidelity's corporate footprint. We leverage data and factual analysis to inform our decisions, enabled by collaboration and best practice sharing, to help us innovate. We are most focused on areas where we can have the greatest impact: energy usage, onsite waste and pollution, water usage, and sustainable food systems to support our associates.

This update reports the progress we have made in our efforts to be responsible stewards of the environment.



View of Fidelity's Westlake, Texas campus

## Carbon and Climate

Since Fidelity began its environmental program in 2007, we have maintained a steady focus on reducing our greenhouse gas (GHG) emissions across our corporate footprint. We also continue to invest in on-site clean energy, resource conservation, and strategic management of data center workloads, which includes partnerships with cloud service providers. In doing so, we have reduced our overall carbon dioxide emissions and equivalents by 67% compared to our baseline year of 2007.

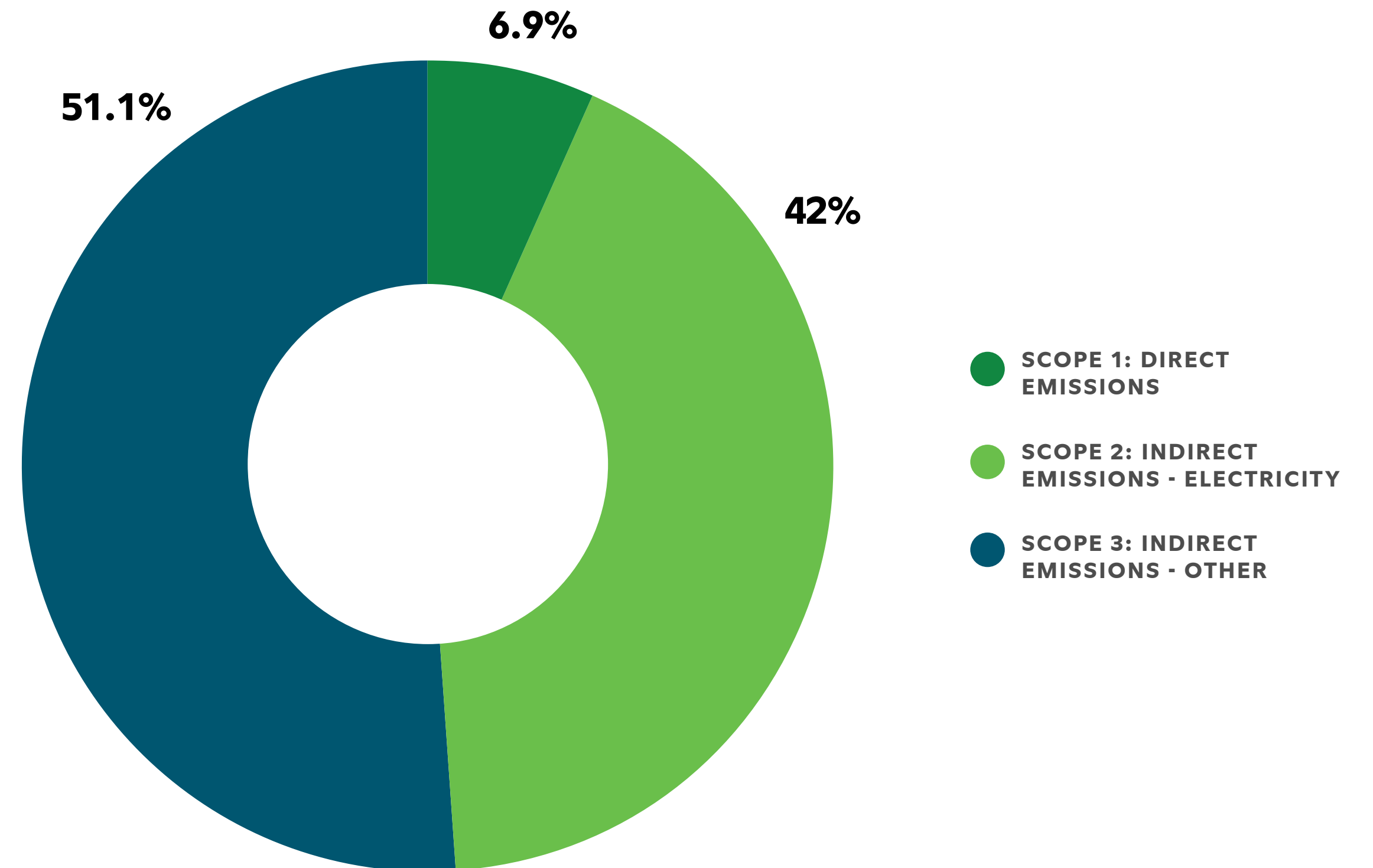
When assessing our carbon impact, we consider three key sources of carbon emissions:

**Scope 1:** GHG emissions that occur from sources directly controlled or owned by Fidelity.

**Scope 2:** GHG emissions associated with Fidelity's purchases of electricity, steam, heat, or cooling.

**Scope 3:** GHG emissions that result from activities or assets not owned or controlled by Fidelity.

### 2022 Total CO<sub>2</sub> Equivalent Metric Tons (MTCO<sub>2</sub>e): 151,910



Please see page 18 for expanded data table.



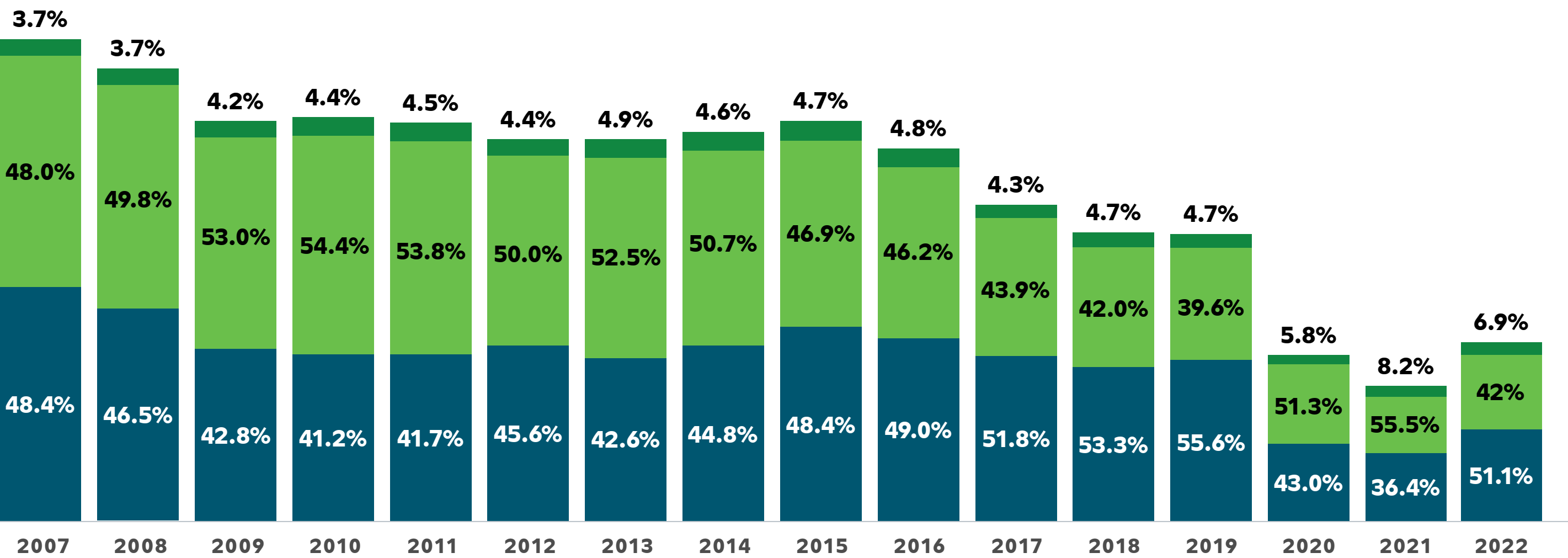
# History of Reductions

We continue to make significant progress in reducing our overall emissions since we began tracking in 2007.

## Percentage of Overall Emissions, 2007–2022

TOTAL CO<sub>2</sub> EQUIVALENT METRIC TONS (MTCO<sub>2</sub>E), 2007–2021

● SCOPE 1: FUELS
 ● SCOPE 2: ELECTRICITY
 ● SCOPE 3: OTHER



Please see page 18 for expanded data table.

## Volume of Overall Emissions, 2007–2022

	SCOPE 1	SCOPE 2	SCOPE 3	TOTAL
2007	17K	222K	224K	463K
2008	16K	216K	202K	434K
2009	16K	203K	164K	383K
2010	17K	210K	159K	386K
2011	17K	205K	159K	381K
2012	16K	183K	167K	366K
2013	18K	192K	156K	366K
2014	17K	189K	167K	373K
2015	18K	180K	186K	384K
2016	17K	165K	175K	357K
2017	13K	133K	157K	303K
2018	13K	116K	147K	276K
2019*	13K	98K	153K	264K
2020*	9K	80K	67K	156K
2021*	9K	63K	42K	114K
2022*	11K	64K	78K	153K

\*Independently verified

## Emissions Breakdown

SCOPE	EMISSION TYPE	QUANTITY	UNITS	MTCO <sub>2</sub> E	SHARE OF TOTAL
1	PROPANE	5,453	gallons	31	0.02%
	DIESEL OIL	92,765	gallons	950	0.63%
	NATURAL GAS	1,370,948	therms	7,282	4.79%
	MOBILE COMBUSTION	–	–	862	0.57%
	FUGITIVE EMISSIONS—REFRIGERANT	–	–	1,388	0.91%
2	OFFICE BUILDINGS	119,121,394	kWh	40,993	26.99%
	DATA CENTERS AND CORE NETWORK	76,447,251	kWh	25,118	16.53%
	INVESTOR CENTERS	24,465,142	kWh	9,015	5.93%
	SOLAR FARMS*	40,066,767	kWh	(11,302)	(7.44%)
3	BUSINESS TRAVEL—AIR	89,526,233	miles	16,298	10.73%
	BUSINESS TRAVEL—MISC.**	–	–	4,568	3.01%
	EMPLOYEE COMMUTING	48,636,545	miles	17,056	11.23%
	PAPER	22,828,666	pounds	30,468	20.06%
	SHIPPING AND MAILING	276,942,689	units	9,183	6.05%

Apex Companies, LLC, provided independent verification of Fidelity's greenhouse gas emissions (scope 1, scope 2, and select scope 3) for the calendar year 2022 – as shown on the chart on page 4. Verification was completed against the World Resources Institute/ World Business Council for Sustainable Development Greenhouse Gas Protocol and was conducted in accordance with ISO 14064- 3:2019 Greenhouse Gases—Part 3: Specification with Guidance for the Verification and Validation of Greenhouse Gas Statements.

\* Total kWh and CO<sub>2</sub> eq account for production at Fidelity's solar arrays in NC, NH, and RI.

\*\* Business Travel—Misc. consists of hotel stays, rental car mileage, train travel and executive transport.

## Impact of Hybrid Working

Remote and hybrid working arrangements significantly reduced scope 3 emissions as compared to 2019 and earlier (before the COVID-19 pandemic). New ways of working continue to demonstrate that any changes in operational structure will have an impact on emissions patterns. Thus, as the working world continues to change, we may elect to revisit our choice of baseline year, so that future emissions are benchmarked against similar times and similar working conditions.





Fidelity's 14-acre solar array in Westlake, Texas.

## SPOTLIGHT: An Array of Light

**Location:** Westlake, Texas

**Size:** 14 acres

**Impact:** Directly powers Fidelity buildings and is expected to generate 5.7 million kilowatt hours of carbon-free electricity annually. This would be enough electricity to power approximately 528\* homes for one year.

Our owned and operated solar arrays in Texas, New Hampshire, North Carolina, and Rhode Island have helped us make significant strides in lowering our greenhouse gas emissions.

In 2022, we finalized construction of our newest solar array in Westlake, Texas. The 14-acre array sits adjacent to Fidelity's Westlake campus and is equipped with a sun-tracking system that allows it to follow the sun throughout the day for maximum energy output. We expect the array to generate 5.7 million kilowatt hours of carbon-free electricity for Fidelity buildings annually.

We also took care to preserve the natural environment surrounding the solar array at our Westlake, Texas campus, which includes a 25-acre forest. We planted native flora, such as prairie grasses and wildflowers, to emulate the natural surroundings. Our investments in the Westlake campus have enhanced the local ecosystem and supported biodiversity within the highly developed Texas' Cross Timbers region, creating a habitat for native butterflies, migrating songbirds, and other wildlife, as well as onsite beehives to promote pollination (see "Spotlight: Bee Pollinator Program," page 16).

We continue to evaluate onsite solar investment opportunities as we strive to further increase our renewable energy sourcing and foster resilience of our daily business operations.

\*In previous reports we stated 700 homes. We've amended this number to 528 in accordance with the U.S. Energy Information Administration's updated calculation for average annual electricity consumption in U.S. households in 2022.



## Climate Resilience

Fidelity is focused on ensuring business continuity and operational excellence across our physical campuses to provide consistent customer service for our clients and a safe working environment for our associates. Our climate resilience strategy focuses on adapting to the climatic variability we are already experiencing and that is projected to continue.

In 2022, Fidelity updated a physical climate risk assessment of our real estate portfolio to understand the impacts of climate change under three global warming scenarios. Using climate models that look at risks from today to the year 2100, we assessed the exposure of Fidelity's sites to the nature, frequency, and severity of the following climate risks: flood, wind, heat, cold, precipitation, fire, and drought. This assessment helps us understand the short- and long-term impacts of climate variability at each of our sites so that we can consider and employ climate adaptation options.

We are integrating this climate data in the assessment of new locations for our Investor Centers, and more broadly, factoring climate data into the risk assessments and decision-making processes that inform all of our site management. In 2022, we incorporated climate risk information into the due diligence process for more than 25 Investor Center locations, supporting the operational resiliency of our wealth and retail brokerage businesses.



View of Fidelity's Covington, Kentucky campus



## Resource Efficiency and Conservation

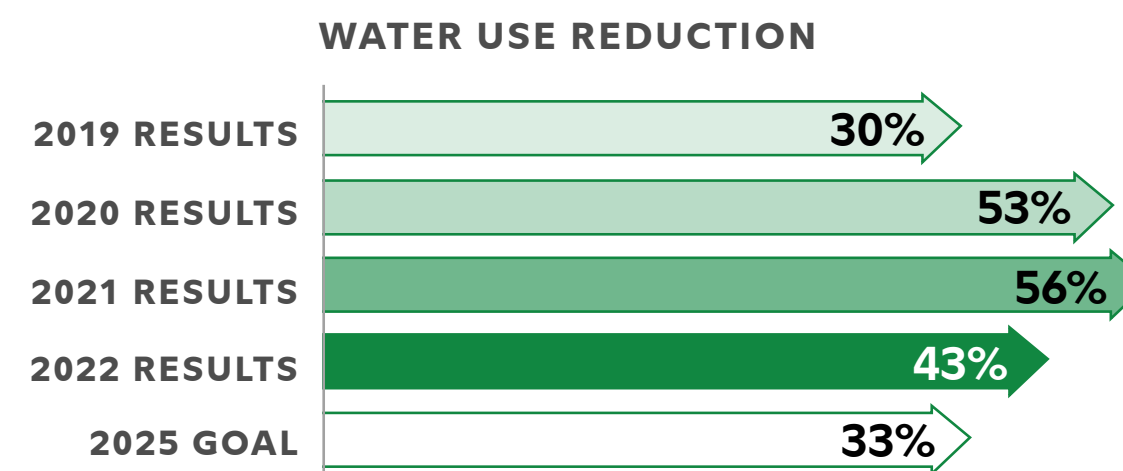
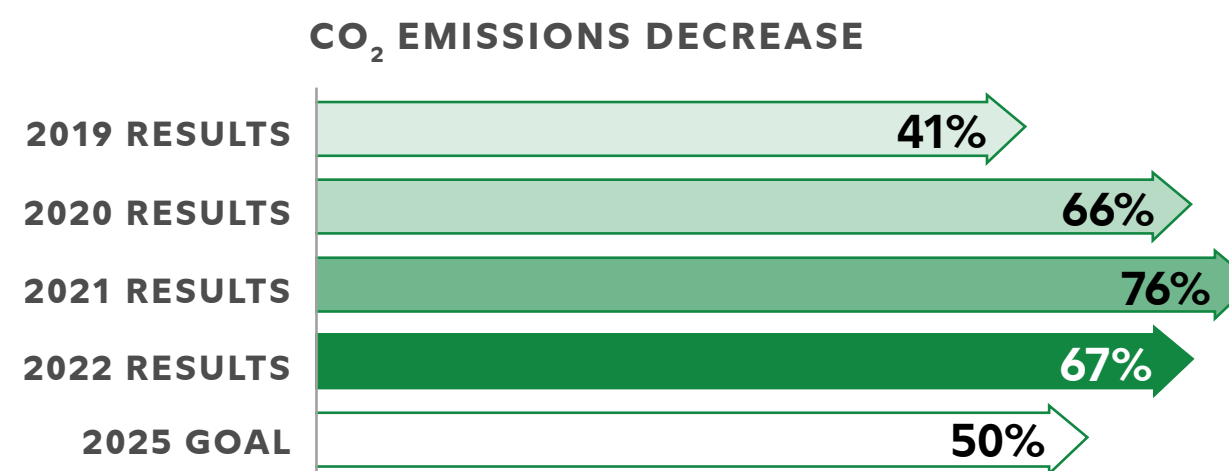
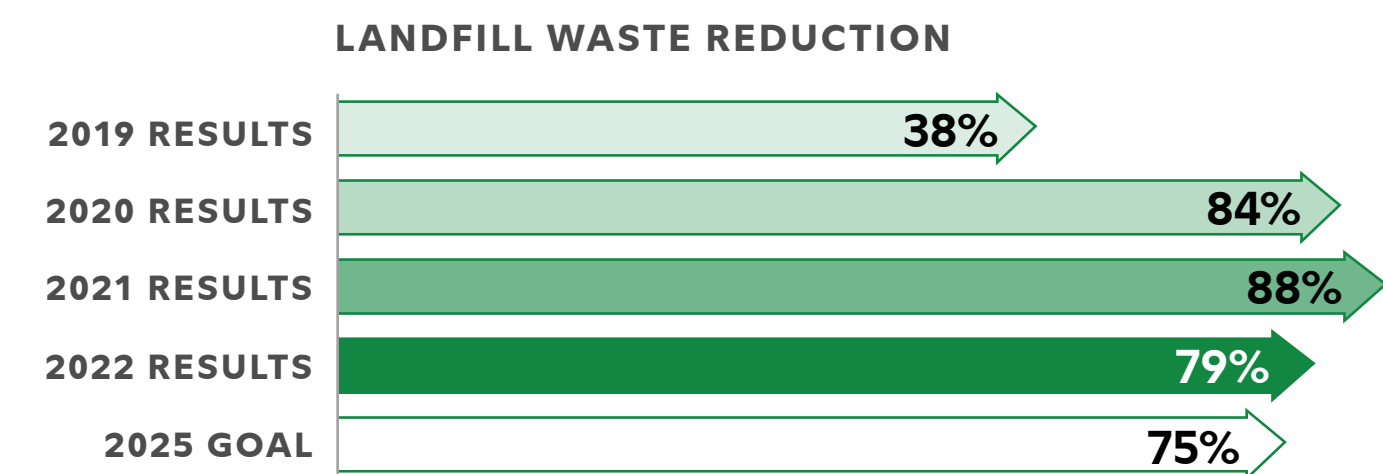
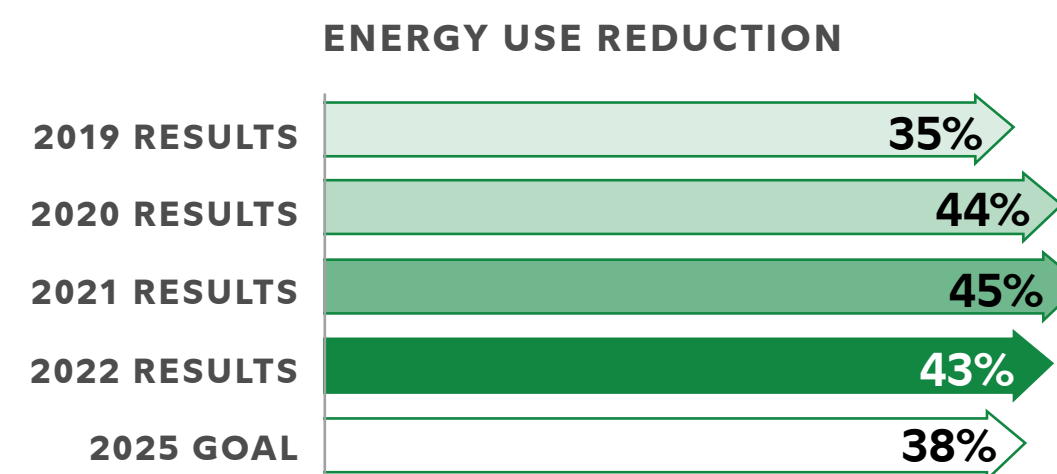
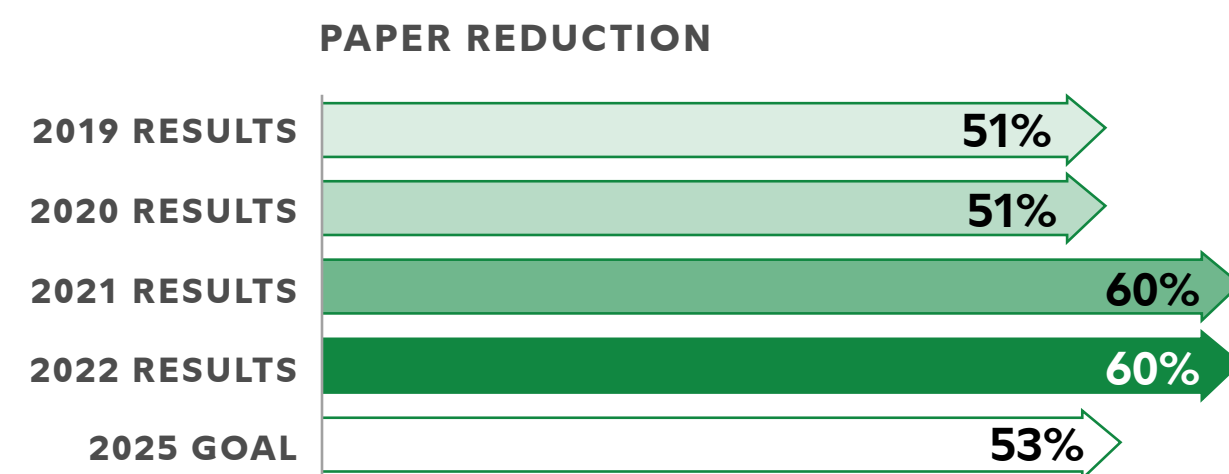
Since 2007, we have reduced our resource consumption across all five of our key environmental metrics: water, waste, energy, carbon, and paper.

Fidelity's resource use in 2022 remained lower than pre-pandemic levels, due in part to the hybrid work arrangements where most associates split their time between Fidelity workplaces and home offices. Fidelity continued to mark a reduction in GHG emissions from our real estate operations compared to those years (2019 and earlier) when employees did not work remotely as often. Methodologies that would enable us to fully quantify the impact of remote working on Fidelity's scope 1, 2, and 3 emissions are still under development, but we recognize that observed reductions in Fidelity's

carbon emissions may be offset by incrementally higher emissions attributable to home heating and electricity consumption – as well as increased waste generation and water use – by Fidelity associates as they work from home offices.

The company's results from 2022 demonstrate that the outsized reductions in energy and natural resource use that we witnessed during the COVID-19 pandemic will not persist on their own, as we measured rebounds in energy and carbon emissions, as well as water consumption and waste production across our operating footprint as compared with 2021. Therefore, we remain committed to our comprehensive efforts to keep Fidelity's operational carbon emissions trending downward.

### Resource Reductions Since 2007 and Future Goals



Please see page 18 for expanded data table.



## Paper Reduction

Fidelity is a proud champion and leader of digital-first tools for customers that reduce reliance on paper and postage and increase the security and accessibility of investment information. Most of our customers choose to receive communications from us digitally, and all new retail brokerage customers now receive electronic communications by default.

In 2022, our outbound paper usage remained flat relative to 2021, reflecting a high volume of regulatory communications required to be delivered in paper form. Fidelity is a leading advocate for modernizing outdated rules to make electronic delivery the default way to receive documents, while preserving investor choice for paper. In 2022, we strongly supported the introduction of the “Improving Disclosure for Investors Act of 2022” in the U.S. House of Representatives, which would direct the U.S. Securities and Exchange Commission (SEC) to change the default means of investor communication from paper to digital. We continue to urge Congress and the SEC to modernize outdated regulations to better reflect our customers’ preferences and reduce waste.





## Responsible Suppliers

One of the foundational goals of Fidelity’s sustainability program is to precisely measure the environmental impacts of our suppliers. Therefore, in 2021, we established the Responsible Sourcing Office, a division of Fidelity Procurement, to ensure we engage suppliers who align with our efforts to reduce our environmental impact. The Responsible Sourcing Office sets guidelines, policies, and procedures for sustainable purchasing, and establishes processes to assess a potential supplier’s environmental strategy. This includes measuring, disclosing, and addressing negative impacts on the environment, such as greenhouse gas emissions, resource consumption, or ecosystem-related impacts (energy, water, raw materials, waste streams and more).

Internally, we encourage all Fidelity associates to adhere to sustainable purchasing guidelines when making purchasing decisions, including avoiding single-use products and packaging, opting for biodegradable or recyclable products, and giving preference to local suppliers and suppliers who demonstrate tangible and measurable sustainability goals and commitments.

## SPOTLIGHT: Business Travel

- Business travel carbon emissions decreased by 47% between 2019 and 2022, largely resulting from reduced travel during the COVID-19 pandemic.
- Business travelers at Fidelity are encouraged to “travel with a purpose.” This means being mindful of the environmental impact of travel and choosing lower impact options when they are available.
- As result of, Fidelity has promoted increased use of high-efficiency aircraft, a reduction in travel on long-haul flights, a reduction in day trips on short-haul flights, and an increase in train travel.

While we anticipate some further increases in business travel as in-person engagements become more prevalent, we continue to encourage associates to host meetings virtually, fly on more efficient aircraft, fly direct to their destination, rent economy-sized cars, and choose train travel where available for shorter distances.





## SPOTLIGHT: Onsite Composters Turn Garbage into Gold

**Locations:** Texas, New Hampshire, Rhode Island, Kentucky, and North Carolina

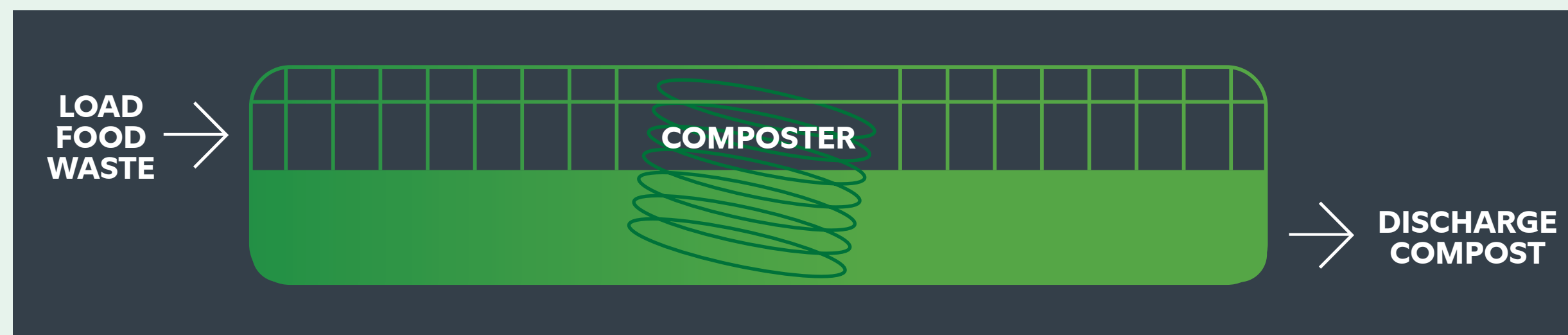
**Food waste diverted from landfills since 2016:** 6.1 million pounds

**Estimated carbon saved to date:** 1600 MtCo2e

**Compost produced:** 10,000+ yards

Fidelity has been composting onsite food waste, landscape debris, and cardboard since 2016. We currently own and operate five onsite composters and are excited to continue expanding this program. In 2016, Fidelity successfully piloted an onsite composting system in Merrimack, New Hampshire. We worked with Green Mountain Technologies to install the Earth Flow Composter, a 30-yard steel vessel that naturally composts biodegradable material. The program has been expanded to all our owned sites. Material is loaded into the composter, which then undergoes an automated process of mixing and aerating. Automated sprinklers add moisture to the process. The mixing process happens several times a day, as needed. It takes 45 days to fully convert material into usable compost. Our composters divert more than 200 tons of kitchen waste and 40 tons of landscape debris from landfills each year, which amounts to 40% of the total waste stream at our Merrimack campus. This results in significant savings in costs and energy that would otherwise be spent hauling material away.

On top of the waste reduction benefits of our composting, roughly every 60 days we extract final compost, which provides nutrient-dense nourishment for our campus landscapes and organic farms.



Fidelity's composter at the Merrimack, New Hampshire campus.





The on-site organic farm in Merrimack, New Hampshire.

## **SPOTLIGHT: Organic Fidelity Farms**

**Locations:** Kentucky, New Hampshire, Rhode Island, Texas

**Total acreage:** Seven acres

Reducing our carbon footprint and helping the environment are not only important initiatives for Fidelity as a firm, but for our associates as well. Scaling onsite organic farms is one example of our commitment to carbon and water reduction. Our organic farms:

- Reduce our carbon and water footprint by growing and consuming fresh produce onsite
- Reduce shipping and refrigeration needs
- Support associate well-being
- Provide quality produce to food banks in our communities

In 2022, we broke ground on farms in Kentucky, New Hampshire, and Texas, bringing the number of our onsite farms to four. Our first farm started in 2018 in Smithfield, Rhode Island and is the model for our newest farms. The organic produce harvested from our 2.1-acre Rhode Island farm is served in our onsite cafe, and 25% of the produce is donated to the nearby Rhode Island Food Bank. We irrigate the farm with collected rainwater and amend the soil with organic material from our onsite composters. Regenerative farming methods are used to create high-quality produce with minimal environmental impact. Our Texas farm was completed in 2022, and our Kentucky and New Hampshire locations will produce their first harvest in 2023.

On all our farms, we partner with Green City Growers (GCG), an employee-owned benefit corporation to staff, maintain, and provide engagement and programming around the farms. GCG makes recommendations about what should be planted based on location, climate, landscape, and other environmental factors. They also work closely with FLIK, our food service provider, to plan crops. They consider what produce is consumed most in our cafes and the environmental footprint of those items when planning what can be grown locally.



## Building Certifications

Third-party certifications across our real estate portfolio demonstrate our dedication to building and operating our physical assets in a sustainable and environmentally responsible manner, as well as our commitment to the health and safety of associates.

### Leadership in Energy and Environmental Design (LEED)

Fidelity has a long history of LEED certification, with 74% of our office space LEED certified.

### Energy Star

Fidelity's Omaha, Nebraska data center is the first Fidelity data center that is both Energy Star rated and LEED certified.

### The International Organization for Standardization (ISO)

ISO is composed of representatives from various national standards organizations and sets the ISO 14001 standard, an important environmental management certification. Fidelity's environmental program has been certified since 2013, and we participate in the recertification process on an annual basis.



Fidelity is now a FitWel Champion, with 83% of our office space receiving FitWel healthy building certification from the Center for Active Design. Fidelity has also achieved the additional Fitwel Viral Response Certification for 92% of our real estate portfolio, providing us with third-party certification of the policies and practices we have put into place to mitigate the spread of contagious diseases within our buildings. The Viral Response Module is a unique company-wide approach to this certification, with distinctive features to help protect our associates and customers from COVID-19.



Green Globes certification is used to demonstrate responsible building and operation of our Investor Centers. Today, 67% of Fidelity's Investor Centers are Green Globes certified, with additional certifications anticipated in future years.

## SPOTLIGHT: Green Globes

Fidelity has formed a long-term relationship with the Green Building Initiative (GBI) and the American National Standards Institute (ANSI) that administers the Green Globes third-party certification. Green Globes is a three-in-one certification system that evaluates the environmental sustainability, health and wellness, and resilience of commercial real estate. Green Globes for Existing Buildings helps building owners and facility managers establish a building performance baseline and guide for incremental improvement over time. Since 2011, GBI's Green Globes for Existing Buildings certification has helped Fidelity benchmark, evaluate, and improve sustainability measures at leased Investor Center locations across the United States.

As of 2022, Fidelity has successfully earned Green Globes certification for over one million square feet of space across over 130 properties, which represents 67% of the company's Investor Center portfolio. Fidelity has also committed to completing additional building certifications each year. In alignment with Green Globes, Fidelity pursues sustainability opportunities to improve design and daily business operations at our leased locations. Examples of responsible building and operations include high-efficiency building systems, such as lighting and climate comfort systems, low or no volatile organic compound paints, maximum daylighting, minimal single-use product consumption, and products that minimize recycled content and are designed for recycling at end of life.



## Associate Engagement

Our associates continue to be key drivers behind our innovation in corporate sustainability. Our Impact Special Interest Group was established by Fidelity associates in 2020 to encourage more sustainable business practices across our operations and throughout our regional locations. In 2022, participation in Impact grew to more than 5,000 members, a 60% increase from the previous year. Impact hosted more than 100 educational events across its 15 global and regional chapters. Some examples of Impact’s associate engagements efforts include:



Members of Fidelity’s Impact Special Interest Group.

### U.S.

- Led a Plastic-Free July campaign for associates to share their plastic-free solutions, with a tree planted for every engagement.
- Conducted 20 volunteer events across our global chapters within our communities.
- Conducted 40+ events focused on biodiversity, conservation, and climate change.
- Conducted 20+ events on sustainable investing and our corporate sustainability efforts.
- Conducted 20+ events with other affinity groups to demonstrate our commitment to intersectionality and allyship.

### India

- Impact’s India chapter eliminated all plastic garbage can liners and replaced them with compostable garbage can liners at all locations.
- Introduced reusable cutlery and crockery across all cafés and eliminated all single-use plastic meal boxes.
- Planted more than 85,000 saplings and created more than 10 urban forests.

### Ireland

- Collaborated with Grow It Yourself and Brookfield Community Garden to clean up the community garden, which involved several volunteering days.
- Hosted an educational webinar on electric vehicles (EV) followed by EV days in Galway and Dublin where employees had the opportunity to test drive dozens of EVs.
- Replaced all batteries in wireless mice and keyboards in Fidelity’s offices with rechargeable batteries.



## **SPOTLIGHT: Sustainovation**

In 2022, we hosted our second Sustainovation Challenge, a 12-week design-thinking program dedicated to inspiring sustainable innovation among Fidelity associates. Since the Sustainovation Challenge launched in 2021, more than 180 associates and 22 teams from around the globe have participated.

Participating associates work in teams to apply design thinking to drive business innovation and environmental excellence. In addition to feeding their passion for environmental sustainability, associates learn design-thinking techniques, collaborate with colleagues, meet industry thought leaders, and gain executive presentation skills.

Winners of the 2022 Sustainovation challenge included:

- **The Wildernook:** reservable workspace that is out in nature
- **Leverage the Land:** a proposal to use compost to improve soil quality and sequester carbon





## Strategic Partnerships

We actively partner with over 40 non-governmental organizations and charitable organizations across the globe. Our partnerships span across four countries: U.S., U.K., India, and Ireland. In the United States, we work with local organizations in 16 states. Notable collaborations include:

**Cincinnati Nature Center (KY)**

**EarthSeed Farm (Multiple U.S. Locations)**

**Green Roots (MA)**

**Revive the Roots (RI)**

**Keep Fort Worth Beautiful (TX)**

**Save the Bay (RI)**

**Soul Fire Farm (Global)**

**Texas Conservation Alliance (TX)**

**Triangle Land Conservancy (NC)**

**United Nations Environmental Programme Finance Initiative (Global)**

**United Nations Principles for Responsible Investment (Global)**



The apiary on Fidelity's campus in Merrimack, New Hampshire. The apiary sits beside a solar array that provides electricity to the Merrimack campus.

## SPOTLIGHT: Bee Pollinator Program

**Location:** Rhode Island, New Hampshire, North Carolina, Texas, Nebraska, Massachusetts

**Size:** Five apiaries (five hives per apiary)

Bees are critical to biodiversity and healthy food systems. As pollinators, bees travel from plant to plant carrying pollen on their bodies, transferring genetic material that allows for countless flowers and other plant species to reproduce. Honeybees, in particular, are known for pollinating a wide variety of plant species.

Fidelity hosts honeybee apiaries on our campuses in Rhode Island, New Hampshire, North Carolina, Texas, and, most recently, at our data center in Omaha, Nebraska. We also host a single hive in Boston, Massachusetts. We purposely installed each apiary near our onsite farms so that the bees can help bolster the propagation of local plant species.

We work with Best Bees, a Boston-based beekeeping organization, to install and maintain our apiaries. With their help, we track our apiary's growth and honey production.

Through DNA analysis of the honey produced, we also track what the bees are feeding on, giving us data that allows us to refine our farming tactics to increase attractiveness of plants to the bees, which in turn, creates more successful pollination and crop reproduction to serve our associates and communities.



## Looking Ahead

As we reflect on the progress we have made, we recognize there is still much work to be done. Our dedication to protecting the environment, conserving resources, and mitigating our impact on the planet remains resolute through the use of our Investor Mindset principles. We are grateful for the partnerships and collective efforts that have brought us this far, and we look forward to forging new alliances and continuing to lead by example.



Fidelity's Covington, Kentucky campus.



## Data Tables

### 2022 Total CO<sub>2</sub> Equivalent Metric Tons (MTCO<sub>2</sub>e): 151,910

Scope	Emissions	% of all CO <sub>2</sub> Emissions
<b>1</b>	10,513 MTCO <sub>2</sub> e	6.9%
<b>2</b>	63,824 MTCO <sub>2</sub> e	42%
<b>3</b>	77,573 MTCO <sub>2</sub> e	51.1%
<b>Total</b>	151,910 MTCO <sub>2</sub> e	

### Resource Reductions Since 2007 and Future Goals

	Paper Reduction	Energy Use Reduction	Landfill Waste Reduction	CO <sub>2</sub> Emissions Decrease	Water Use Reduction
<b>2019 Results</b>	51%	35%	38%	41%	30%
<b>2020 Results</b>	51%	44%	84%	66%	53%
<b>2021 Results</b>	60%	45%	88%	76%	56%
<b>2022 Results</b>	53%	43%	79%	67%	43%
<b>2025 Goals</b>	53%	38%	75%	50%	33%

### Percentage of Overall Emissions, 2007–2022

	Scope 1: Fuels	Scope 2: Electricity	Scope 3: Other
<b>2007</b>	3.7%	48.0%	48.4%
<b>2008</b>	3.7%	49.8%	46.5%
<b>2009</b>	4.2%	53.0%	42.8%
<b>2010</b>	4.4%	54.4%	41.2%
<b>2011</b>	4.5%	53.8%	41.7%
<b>2012</b>	4.4%	50.0%	45.6%
<b>2013</b>	4.9%	52.5%	42.6%
<b>2014</b>	4.6%	50.7%	44.8%
<b>2015</b>	4.7%	46.9%	48.4%
<b>2016</b>	4.8%	46.2%	49.0%
<b>2017</b>	4.3%	43.9%	51.8%
<b>2018</b>	4.7%	42.0%	53.3%
<b>2019</b>	4.7%	39.6%	55.6%
<b>2020</b>	5.8%	51.3%	43.0%
<b>2021</b>	8.2%	55.5%	36.4%
<b>2022</b>	6.9%	42%	51.1%



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