2021 Environmental Report

Fidelity Investments
Fidelity is committed to driving environmental value, engaging our stakeholders on sustainability issues, and delivering business results for our customers and clients. With that in mind, we have published our first Environmental Report, which includes detailed data about the progress that we have made in mitigating our environmental impact and examples of innovative investments that may drive future environmental solutions.

At Fidelity, an Investor Mindset means using empirical data to make decisions, taking a long-term perspective, and not making short-term trade-offs that imperil progress towards our objectives. Throughout our 75-year history, an Investor Mindset has been at the heart of our mission to strengthen and secure our clients’ financial well-being. This mindset extends beyond just our investment professionals, and also challenges leaders across our businesses to use data and insights in decision-making and planning related to sustainability goals.

Using an Investor Mindset also means that good intentions must be followed up with clear actions. To ensure that our environmental, social, and governance (ESG) strategy and future focal areas are aligned to the issues that are most material to Fidelity’s business and its stakeholders, we completed our first ESG materiality assessment in 2020. We engaged clients, customers, associates, and partners in this effort, as we know that they all want increased visibility into our sustainability goals and objectives, as well as our commitments to actions and outcomes. Therefore, we plan to expand our sustainability efforts across all aspects of our business through strategic operational initiatives and long-term innovative investments.

Over the past decade, Fidelity’s sustainability efforts have been focused primarily on energy efficiency and resource conservation in our 11-million-square-foot real estate footprint. Therefore, this report is focused on our environmental sustainability efforts and does not address issues such as supply chain management, data privacy, governance, or risk management. We are in the early stages of adopting a sustainability approach throughout our business, including Fidelity’s fund operations, products, risk management, and procurement. In future reports, we will have an expanded discussion and analysis of all the sustainability initiatives across the company.
Spanning all our work is a commitment to four focus areas that we believe are not only business imperatives but also the right thing to do for our stakeholders. These focus areas are as follows:

1. **Climate Change**—We will continue to reduce our greenhouse gas emissions by expanding use of renewable energy, with a dedicated focus on reducing carbon. At the same time, to build climate resilience, we are proactively planning for the increasing unpredictability of climate variability and long-term climate change.

2. **Resource Efficiency and Conservation**—We will continue efforts to increase resource efficiency within our real estate operations by reducing potable water consumption, increasing energy efficiency, and reducing waste and paper use, thereby alleviating pressure on natural resources.

3. **Stakeholder Engagement**—We will partner with communities to advance sustainability priorities and advocate for public policies that align with our objectives through Impact, Fidelity’s Special Interest Group focused on environmental sustainability.

4. **Investment Stewardship**—We will enhance the transparency of and reporting on our unique approach to integrating ESG considerations across our products, services, and investment decisions.

This report outlines our approach, progress, goals, areas of opportunity, and future commitments. Together with our annual **Report on Investment Sustainability and Impact** and our **Diversity & Inclusion Report**, this report will give stakeholders a comprehensive look at how we approach environmental considerations, and how, collectively, this work will drive Fidelity forward.

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RINA KUPFERSCHMID-ROJAS  
Chief Sustainability Officer

SUZANNE HEIDELBERGER  
Head of Fidelity Real Estate Company
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Our Sustainability Journey
Fidelity has always sought to minimize the impact of our properties on the environment by choosing to harmonize with the natural surroundings and make smart investments in leading-edge building systems, green roofs, rainwater reclamation systems, and native landscapes.

Resource Steward
Sustainable building designs

Fidelity formalizes our environmental efforts, including our first environmental sustainability policy, staffing a chief sustainability officer position, and establishing a cross-enterprise steering committee to provide guidance on environmental sustainability and business strategy integration.

– Fidelity begins the LEED certification process, with 75% of our real estate portfolio certified as of September 30, 2021.

Formal Programs
Building momentum

– Fidelity begins the LEED certification process, with 75% of our real estate portfolio certified as of September 30, 2021.

Customer Engagement
Introducing ESG into business decisions

– Fidelity begins to share our environmental and social efforts with customers and clients as ESG factors play a greater role in business and investing decisions.

– Fidelity leverages associate interest to drive innovation with our “Green Ideas” contest.

Commitment and Coordination
Strategic positioning and planning

– Fidelity establishes formal environmental goals to drive cross-enterprise engagement.

– Fidelity achieves International Organization for Standardization 14001 certification.

– Fidelity begins the Green Globes certification process for our Investor Centers, with 53% currently certified as of 2021.

Business Focus
Scaling our efforts to meet a global imperative

– Fidelity becomes a signatory to the United Nations Principles for Responsible Investment and supports the Task Force on Climate-Related Financial Disclosures recommendations.

– Fidelity expands its global resource reduction efforts by eliminating use of plastic foam, minimizing paper consumption, promoting use of electric and low-emission vehicles, and embracing renewable energy.

Business Integration and Outreach
Integration of sustainability into enterprise strategy and daily operations

– Fidelity launches an enterprise climate resilience strategy pertaining to all core business functions, personnel, and physical assets.

– Associates are empowered to take local action through the expansion of regional sustainability teams, paving the way for Impact, Fidelity’s employee-led sustainability Special Interest Group, which has expanded to 14 global regions.
Reducing Our Carbon Footprint
As scientific data continues to confirm a direct relationship between the earth’s climate and its greenhouse gas (GHG) emissions, a key focus of our sustainability strategy is understanding and quantifying Fidelity’s emissions, and prioritizing the company’s efforts to minimize our environmental impact.

While our carbon impact strategy focuses on mitigating GHG emissions, our climate resilience strategy focuses on adapting to current and projected climate variability and change. In addition to limiting potential risks affecting our real estate and associates, this work helps to ensure that Fidelity is well positioned to support customers and clients as we navigate the transition to a low-carbon economy.

Fidelity’s emissions of carbon dioxide and equivalents in 2020 were reduced by 66% compared with our baseline year of 2007. These reductions were achieved by eliminating the source of emissions where possible through investments in energy efficiency and resource conservation, consolidation and optimization of data centers, and a host of other initiatives.

For example, efficient operating practices at our data centers have resulted in a 44% reduction in electricity use, and our solar arrays in North Carolina, Rhode Island, and New Hampshire reduced 11,000 metric tons of carbon emissions in 2020. Through a test-and-scale approach, an additional solar array is now under construction in Westlake, Texas, with construction to be completed in mid-2022.

Methodologies to quantify the impact of the pandemic on Fidelity’s operations are still being developed and refined, and additional research is needed to more accurately account for these effects, which are expected to remain relevant as the expectations and policies for how we work continue to evolve.
REDUCING OUR CARBON FOOTPRINT

Fidelity tracks, and continuously seeks opportunities to reduce GHG emissions associated with our business operations as one means of measuring our environmental performance.

To assess our carbon impact, three key sources of carbon emissions are assessed:

<table>
<thead>
<tr>
<th>SCOPE 1</th>
<th>SCOPE 2</th>
<th>SCOPE 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct GHG emissions</td>
<td>Indirect GHG emissions associated with the</td>
<td>GHG emissions that result from activities or assets</td>
</tr>
<tr>
<td>that occur from</td>
<td>purchase of electricity, steam, heat, or cooling</td>
<td>not owned or controlled by Fidelity</td>
</tr>
<tr>
<td>sources controlled or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>owned by Fidelity</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2020 Total CO\textsubscript{2} Equivalent Metric Tons (MTCO\textsubscript{2}e): 156,671

Details to follow on pages 10 and 11.
**REDSUCING OUR CARBON FOOTPRINT**

Total CO₂ Equivalent Metric Tons (2007–2020)

![Bar chart showing CO₂ emissions by year and scope]

<table>
<thead>
<tr>
<th>Year</th>
<th>SCOPE 1</th>
<th>SCOPE 2</th>
<th>SCOPE 3</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>17K</td>
<td>222K</td>
<td>224K</td>
<td>463K</td>
</tr>
<tr>
<td>2008</td>
<td>16K</td>
<td>216K</td>
<td>202K</td>
<td>434K</td>
</tr>
<tr>
<td>2009</td>
<td>16K</td>
<td>203K</td>
<td>164K</td>
<td>383K</td>
</tr>
<tr>
<td>2010</td>
<td>17K</td>
<td>210K</td>
<td>159K</td>
<td>386K</td>
</tr>
<tr>
<td>2011</td>
<td>17K</td>
<td>205K</td>
<td>159K</td>
<td>381K</td>
</tr>
<tr>
<td>2012</td>
<td>16K</td>
<td>183K</td>
<td>167K</td>
<td>366K</td>
</tr>
<tr>
<td>2013</td>
<td>18K</td>
<td>192K</td>
<td>156K</td>
<td>366K</td>
</tr>
<tr>
<td>2014</td>
<td>17K</td>
<td>189K</td>
<td>167K</td>
<td>373K</td>
</tr>
<tr>
<td>2015</td>
<td>18K</td>
<td>180K</td>
<td>186K</td>
<td>384K</td>
</tr>
<tr>
<td>2016</td>
<td>17K</td>
<td>165K</td>
<td>175K</td>
<td>357K</td>
</tr>
<tr>
<td>2017</td>
<td>13K</td>
<td>133K</td>
<td>157K</td>
<td>303K</td>
</tr>
<tr>
<td>2018</td>
<td>13K</td>
<td>116K</td>
<td>147K</td>
<td>276K</td>
</tr>
<tr>
<td>2019*</td>
<td>13K</td>
<td>98K</td>
<td>153K</td>
<td>264K</td>
</tr>
<tr>
<td>2020*</td>
<td>9K</td>
<td>80K</td>
<td>67K</td>
<td>156K</td>
</tr>
</tbody>
</table>

*Independently verified; see page 13 for more details
## Emissions Details

<table>
<thead>
<tr>
<th>QUANTITY</th>
<th>UNITS</th>
<th>MTCO₂e*</th>
<th>SHARE OF TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROPANE</td>
<td>15,554 Gallons</td>
<td>89</td>
<td>0.06%</td>
</tr>
<tr>
<td>DIESEL OIL</td>
<td>248,467 Gallons</td>
<td>2,544</td>
<td>1.62%</td>
</tr>
<tr>
<td>NATURAL GAS</td>
<td>951,638 Therms</td>
<td>5,092</td>
<td>3.25%</td>
</tr>
<tr>
<td>MOBILE COMBUSTION</td>
<td>-</td>
<td>-</td>
<td>0.50%</td>
</tr>
<tr>
<td>FLUIGITE EMISSIONS—REFRIGERANT</td>
<td>-</td>
<td>-</td>
<td>0.66%</td>
</tr>
<tr>
<td>OFFICE BUILDINGS</td>
<td>115,474,302 kWh</td>
<td>48,608</td>
<td>31.03%</td>
</tr>
<tr>
<td>DATA CENTERS AND CORE NETWORK</td>
<td>84,296,487 kWh</td>
<td>33,026</td>
<td>21.08%</td>
</tr>
<tr>
<td>INVESTOR CENTERS</td>
<td>24,687,533 kWh</td>
<td>9,947</td>
<td>6.35%</td>
</tr>
<tr>
<td>SOLAR ARRAYS†</td>
<td>-34,202,953 kWh</td>
<td>-11,138</td>
<td>-7.11%</td>
</tr>
<tr>
<td>BUSINESS TRAVEL—AIR</td>
<td>22,170,762 Miles</td>
<td>3,652</td>
<td>2.33%</td>
</tr>
<tr>
<td>BUSINESS TRAVEL—MISC.‡</td>
<td>-</td>
<td>-</td>
<td>1.31%</td>
</tr>
<tr>
<td>EMPLOYEE COMMUTING</td>
<td>46,409,856 Miles</td>
<td>15,191</td>
<td>9.70%</td>
</tr>
<tr>
<td>PAPER</td>
<td>28,128,711 Pounds</td>
<td>35,781</td>
<td>22.84%</td>
</tr>
<tr>
<td>SHIPPING</td>
<td>284,446,197 Units</td>
<td>10,021</td>
<td>6.40%</td>
</tr>
</tbody>
</table>

*Metric tons of carbon dioxide equivalent.
†Solar array values are based on Fidelity’s solar arrays in Rhode Island, New Hampshire, and North Carolina. Solar arrays in Rhode Island and New Hampshire offset CO₂e (carbon dioxide equivalent) emissions in their entirety, and North Carolina contributes to utility-grid-blended CO₂e values.
‡Business Travel—Misc. consists of hotel nights, rental car mileage, and executive transportation.
Building a More Efficient Data Center Strategy

In 2012, Fidelity broke ground on its new Nebraska data center in response to our conviction that implementing a sustainability-focused plan was both the right thing to do and the most efficient way to manage our data centers.

To help achieve our emissions and energy conservation goals, Fidelity pursued aggressive data center consolidation efforts. From 2009 to 2014, the firm reduced its data center locations from more than 80 to 20.

The Nebraska data center, which opened in 2014, was built with sustainability in mind. Energy-efficient technologies and building strategies, including a vegetated green roof and the use of an on-site aquifer for heat rejection, have resulted in LEED Gold certification for the data center.

The building’s construction and design also facilitated scalable growth to occur without any interruption of operations; this was essential as Fidelity continued to grow and expand in order to better serve our customers and clients. The building was first put to the test in 2015, as output expanded, with Data Hall 2, Phase 2, coming online. One megawatt of IT capacity was added, helping to support the functions of the firm in the United States and abroad.

The emphasis on energy reduction at the site revolves around the HVAC economization of the mechanical systems. The impact of this innovative design was almost immediately evident. Electricity consumption has been reduced by 44% at our data centers since 2007, with only 21.17% of total emissions coming via scope 2 emissions from our data centers in 2020.
REDDUCING OUR CARBON FOOTPRINT

Fidelity’s scope 2 emissions have continually trended lower since 2007. They have fallen more significantly in recent years, following investment in solar arrays on several of our campuses (see page 14 for more information).

In 2020, Fidelity’s building-based carbon footprint was significantly affected by the COVID-19 pandemic. In March 2020, Fidelity’s associates moved to a mostly work-from-home model. This vastly reduced our scope 3 emissions, which, under typical operating conditions, are dominated by emissions from commuting and business travel.

To assess the impact of working from home on our associates’ energy use and carbon emissions, we applied a set of calculations from a white paper that was published in February 2021 by Anthesis Group, entitled “Estimating Energy Consumption & GHG Emissions for Remote Workers.” Using the Anthesis “No Survey” methodology, we estimate that incremental scope 1 and 2 emissions attributable to Fidelity associates working from home were 29,505 MTCO₂e. This quantity equates to 87% (vs. 2019) of the reduction in scope 1 and 2 emissions observed in Fidelity facilities in 2020.

We know that a return to former ways of working is unlikely; instead, Fidelity is looking ahead to a more hybrid, dynamic working model for 2022 and beyond. This will blend meaningful time in the office with colleagues and the flexibility of working from home. As we plan for our future ways of working, we will continue to evaluate and consider the impact on our carbon emissions across both our real estate holdings and associates’ home offices. We support low-carbon commuting options for associates with initiatives such as more convenient and accessible electric vehicle parking and charging when on Fidelity’s campuses.

*Apex Companies, LLC, provided independent verification of FMR LLC greenhouse gas emissions (scope 1, scope 2, and select scope 3) for the calendar years 2019 and 2020 – as shown on the chart on page 10. 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.*
Taking a long-term approach to understanding and lowering our environmental impact is in line with our Investor Mindset approach, which we discussed in the opening section of this report. For Fidelity, the investment in solar energy technology has come alive across our real estate portfolio, with significant commitments made across the United States. The following owned and operated solar arrays have helped us make significant strides in lowering scope 2 emissions since our first investment in 2015, and we continue to increase solar investments with the recent groundbreaking for a new solar array at our site in Texas (see page 11 for emissions details).

These are just some examples of our commitment to investing in the transition to a low-carbon future.

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>CO2e Offsets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>145-acre off-site solar array near our campus in North Carolina</td>
<td>10,038 MT</td>
</tr>
<tr>
<td>2019</td>
<td>12-acre solar array completed on site at our Merrimack, New Hampshire campus</td>
<td>904 MT</td>
</tr>
<tr>
<td>2020</td>
<td>14-acre solar array completed on site at our Smithfield, Rhode Island campus</td>
<td>984 MT</td>
</tr>
<tr>
<td>2022</td>
<td>Upcoming 14-acre solar array at our Westlake, Texas campus</td>
<td>2,425 MT anticipated</td>
</tr>
</tbody>
</table>
Driving Resource Efficiency and Conservation
Fidelity has a long-standing commitment to reducing the environmental impact of our business operations. We seek to minimize disruption to and, wherever possible, enhance local ecosystems as we pursue internal operational efficiencies to conserve resources and reduce the impact of our business operations on the natural environment.

We focus on authentic forms of resource efficiency across our real estate portfolio, with an emphasis on drawing less energy from traditional sources, minimizing potable water consumption by using rainwater reclamation systems, and reducing waste by composting organic material for reuse on site.

Fidelity has invested in innovative technologies and workspaces to reduce resource consumption and improve the associate experience. We believe that our commitment to sustainable buildings has, in turn, led to increased occupant comfort and productivity, higher degrees of occupant health and wellness, and ultimately, greater job satisfaction.

The health and wellness of our associates and the communities that we are part of is a key focus of our resource efficiency and conservation plans. This commitment is reflected across our real estate holdings through features that preserve and enhance regional ecosystems, including trails, native plant species and butterfly gardens, apiaries, and on-site organic farms. These resources offer a means to engage and provide shared value for our associates and the communities where we live and work.

In addition to a commitment to pursuing authentic forms of resource efficiency and clean energy, Fidelity tracks and monitors metrics related to resource consumption, including water usage, landfill waste, and recycling.

Our definition of authentic forms of resource efficiency

At Fidelity, we have a bias for action and are hesitant to express intentions in the absence of measurable and demonstrated progress. With the publication of this report, we are taking a first step toward being more transparent about our sustainability efforts and also our future intentions. For example, where feasible, we compost food waste on site and use the compost to nourish on-site organic vegetation. We also develop on-site renewable energy projects, such as solar arrays, to source clean energy locally, and collect rainwater to manage stormwater and supply our irrigation systems. These tangible examples of operational efficiency are thoughtfully designed to reduce demand on strained natural resources and contribute to a healthier local and global ecosystem. We believe that taking this approach, which often requires greater investment, appropriately matches intentions to actions.
Fidelity’s Resource Reductions

Our commitment to sustainability programs is highlighted by the significant reductions we have made since our environmental measurement began in 2007. In 2020, Fidelity experienced an outsized reduction in GHG emissions from its real estate operations as compared with prior years because of Fidelity associates’ shift to working from home. In particular, scope 3 emissions from business travel and associate commuting decreased dramatically from in 2020. Methodologies to quantify the impact of the pandemic on Fidelity’s operations are still in development, but a preliminary assessment suggests that a significant share of the observed reduction in Fidelity’s scope 1 and 2 emissions was offset by incrementally higher emissions from associate home heating and electricity consumption. We are using these insights to assess and make adjustments to our plans and goals—something we do across the business as part of our Investor Mindset approach.

While our 2020 results outpaced our 2025 targets in many cases, we know that the extenuating circumstances of the COVID-19 pandemic have helped us meet and exceed our goals earlier than anticipated. As associates adapt to a hybrid way of working at our offices and from their homes, we will take key learnings from 2020 to help us make decisions to achieve future goals.

Resource Reductions Since 2007 and Future Goals

**Paper Reduction**
- **2019 RESULTS**: 51%
- **2020 RESULTS**: 51%
- **2025 GOALS**: 53%

**CO₂ Emissions Decrease***
- **2019 RESULTS**: 41%
- **2020 RESULTS**: 66%
- **2025 GOALS**: 50%

**Energy Use Reduction†**
- **2019 RESULTS**: 35%
- **2020 RESULTS**: 44%
- **2025 GOALS**: 38%

**Water Use Reduction**
- **2019 RESULTS**: 30%
- **2020 RESULTS**: 53%
- **2025 GOALS**: 33%

**Landfill Waste Reduction**
- **2019 RESULTS**: 38%
- **2020 RESULTS**: 84%
- **2025 GOALS**: 75%

*Scope includes solar carbon offset.
†Scope does not include solar energy production offset.
Reducing Paper Consumption and Emissions through eDelivery

Fidelity has worked diligently for years to eliminate its paper consumption in a variety of ways while complying with regulatory requirements. Our paper-elimination methods include enhancing our technology to digitize transactions, encouraging customer adoption of electronic delivery (“eDelivery”), advocating for regulatory changes that eliminate paper, and reducing our employees’ use of paper. These sustainability efforts have been integrated into our business units, performance metrics, and technology investments. Paper elimination is also supported by growing customer preference for paperless options.

Despite tremendous progress in paper elimination, rapid business growth and government regulation slowed these efforts during the COVID-19 pandemic. The quantity of paper used by the firm increased 1.35% over 2019, largely because of increased customer trading activity and growth in new customers, which led to an increase in regulatory-required financial communications (e.g., statements, confirmations, etc.) mailed to customers. For documents that have required printing, Fidelity maintained its preference for products with sustainable forest certification as well as those containing recycled material.

Financial Communications Reduction—Number of Envelopes (in Millions) (Confirmations, Statements, Letters, Tax Documents, Shareholder Reports)
Driving Resource Efficiency and Conservation

In 2020, paper consumption contributed approximately 35,781 metric tons of CO₂ equivalent to Fidelity’s carbon footprint. This value equates to 23% of the total carbon footprint for 2020; in 2019, it was 13% of all emissions. In 2020, 73% of Fidelity’s financial communications were distributed through eDelivery.

We support amending regulations to reduce the reliance on sending paper documents by postal mail. We support regulatory modernization to permit eDelivery of documents that are required to be sent to brokerage customers, retirement investors, and mutual fund shareholders. We support the recent eDelivery rulemakings that have been adopted by the Department of Labor and the Securities and Exchange Commission (SEC). These rules change the default delivery method of plan participant information and mutual fund reports, respectively, from paper to digital. We continue to advocate for the SEC to engage in greater modernization by making electronic delivery the primary way to access SEC-required brokerage documents.

Fidelity supports additional congressional action to reduce paper use and is encouraged by the House Appropriations Committee’s Fiscal Year 2022 Report, which supports the SEC permitting eDelivery of fund information to shareholders. We advocate for eDelivery guided by fundamental investor protections that ensure customer communication preferences are respected.

More than 80% of new Fidelity customers sign up for eDelivery

As of November 2020
Key Building Certifications

Fidelity seeks third-party certifications across our real estate portfolio. These certifications demonstrate our dedication to building and operating in a sustainable and responsible way, and our commitment to the health and safety of associates.

As of 2021, 75% of our office space is LEED certified.*

Fidelity holds LEED Gold certifications for our Boston headquarters; TRIL Chennai, India; and 2 Destiny Way in Westlake, Texas.

Fidelity’s Omaha data center achieved Energy Star certifications in 2020, making it the first Fidelity data center that is both Energy Star rated and LEED certified.

The International Organization for Standardization (ISO) is composed of representatives from various national standards organizations and sets the ISO 14001 standard, an important environmental management certification. Fidelity earned this certification in 2013, affirming the effectiveness of its environmental program.

Fidelity has achieved Fitwel Viral Response Certification, with the Center for Active Design 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 of our Investor Centers. Today, 53% of Fidelity's Investor Centers are Green Globes certified, with additional certifications anticipated in future years.

*The LEED® certification mark is owned by the U.S. Green Building Council and is used with permission.
Engaging Stakeholders
ENGAGING STAKEHOLDERS

Strong associate engagement and active involvement at the local level help make a positive impact within the communities in which we live and work. Our participation in policy advocacy, formation of partnerships with external organizations to drive innovation, and engagement of associates—all relating to environmental sustainability—are imperative to the success of our efforts.

Our partnerships are as dynamic as the locations where we have a presence. As a result of our long-standing commitment to community service through Fidelity Cares, volunteer-based programs have connected us with organizations that share our mission of improving the environment. We engage these groups, as well as other corporate and regional stakeholders, as partners in reaching our goals.

Corporate partnerships, including those below, allow us to drive innovation, share best practices, and discover broader environmental solutions that go beyond Fidelity in an effort to benefit the areas where we have a presence around the globe.

In addition to these corporate partnerships, we work closely with dozens of other local organizations and partners in our regions around the globe.

As a signatory to the United Nations Principles for Responsible Investment (UNPRI), a supporter of the Task Force on Climate-Related Financial Disclosures (TCFD), and a member of the Ceres Investor Network, Fidelity is actively participating in efforts to address climate change.
ENGAGING STAKEHOLDERS

Impact Special Interest Group (SIG)

Fidelity’s associates are highly engaged in internal and community-focused environmental sustainability efforts through Impact SIG, one of Fidelity’s 10 self-organized and executive-sponsored affinity groups overseen by our global Diversity & Inclusion Office.

Since its formal designation as a SIG in 2020, Impact’s membership has grown from 200 to more than 3,000 Fidelity associates. Building on associate-led Regional Sustainability Teams that started in 2010, Impact now has 14 formalized regional chapters.

Impact fosters an inclusive community that inspires change by empowering associates through partnerships and education. A top priority for Impact is addressing environmental justice issues through partnerships with Fidelity’s affinity groups and community organizations that work at the intersection of socio-economic, racial justice, and environmental issues.

Recent activity includes:

- Held annual environmental sustainability meetings to align sustainability initiatives, share best practices across regions, and communicate Impact’s vision and corporate environmental sustainability goals.
- Partnered with the Enterprise Sustainability Office to hold the firm’s first-ever “Sustainovation Challenge,” which engaged associates to develop sustainability innovation ideas that can create business value for the firm.
- In 2021, organized seven educational webinars for associates that discussed ESG investing and corporate environmental sustainability to raise awareness about Fidelity’s commitment to sustainability.
- Organized more than 30 virtual educational events for associates and their families that discussed sustainability topics such as organic gardening, bicycle maintenance, composting, electric vehicles, and beekeeping.
- Formed 27 regional partnerships to support local environmental nonprofit organizations.

Quotes from Impact members:

“...So great to be part of a company that is leading the way in the industry around sustainability.”

“I’ve been inspired by all the great ideas that have come up in our leadership group meetings about how to make a difference.”

“...enabling [the New York and New Jersey] region to think and act more sustainably has truly been one of the most rewarding experiences during my time with Fidelity.”

SPOTLIGHT ON SUSTAINABILITY
Investment Stewardship
INVESTMENT STEWARDSHIP

Integrating ESG considerations within our established fundamental research processes supports Fidelity’s belief that positive engagement with companies creates value for shareholders and other stakeholders.

At Fidelity, we believe that robust ESG practices can be critical to an investment’s long-term success. Therefore, where appropriate and aligned with a fund’s investment objectives, we apply an ESG perspective directly to the products we offer our clients. More broadly, we have incorporated ESG factors into our bottom-up fundamental research—across all asset classes and investment disciplines. See more about Fidelity’s ESG commitments in our Report on Investment Sustainability and Impact.

For example, the Fidelity® Climate Action Fund (FCAEX) seeks to invest in companies that are removing, reducing, or mitigating the effects of climate change. Economic progress over the next century may be defined by climate investments. The fund’s core philosophy is that demand for solutions to the impact of carbon-emissions problems will rise. Companies ahead of the curve in incorporating carbon reductions into their corporate missions will likely see fewer business-model risks and disruptions. The solution to climate change requires a global effort, and the fund adopts a “go anywhere” mentality to find companies around the globe that meet its criteria for investment.
SPOTLIGHT ON SUSTAINABILITY

Making Investments in Transformational Technologies

Enterprise Services (ES) is a portfolio of stand-alone Fidelity organizations, many of which support the firm’s core businesses, that help develop new sources of revenue, explore emerging technologies, enhance operational capabilities, and improve the overall customer experience.

Included across the ES portfolio of businesses are Fidelity Center for Applied Technology (FCAT) and Fidelity Labs, the fintech incubator for Fidelity Investments. FCAT is a catalyst for breakthrough ideas, contributing to a successful future for Fidelity and its customers. The FCAT team assesses, tests, and scales concepts and ideas that advance Fidelity’s market leadership and enhance the customer experience. Each year, FCAT publishes a Priorities Report that analyzes trends that could shape Fidelity’s future. In the midst of the pandemic, the report’s fifth edition focused on technology disruption and included a look at outdesigning nature and emerging bioscience technologies, which could lead to climate restoration, greener computing, and more.

In 2021, Fidelity Labs launched Fidelity ESG Pro℠, a simple, streamlined ESG solution that brings together portfolio-construction and client-experience tools to help advisors grow their ESG investing practices. The goal was to help advisors have ESG investing conversations with clients, so that the advisors can meet the growing demand for sustainable investing. This offering epitomizes Fidelity’s commitment to delivering next-generation digital solutions for our customers and clients.

Additionally, through affiliates, ES manages investments in areas that we believe are underserved by traditional venture capital and private equity. These investments include strategies that focus on five general areas: climate technology, next-generation computing, biology, manufacturing and materials, and aerospace.

Across all its businesses, ES helps to inform our core business about sustainability trends, as well as about companies that have innovative and disruptive products and technologies with the potential for long-term impacts and a path to economic viability when produced and distributed at scale.
Looking Ahead
Looking ahead, we are focusing on reducing carbon emissions through more owned and operated renewable resources, committing to responsible procurement and travel, improving our food footprint, and decreasing the carbon impact of paper use within our business. We will further strengthen our climate-related operational resiliency by continuing to implement an enterprise-wide strategy, which assesses and addresses climate-related risks and opportunities over both the short- and long-term under a range of climate scenarios. These efforts are aimed at balancing business continuity, infrastructure resilience, and associate and stakeholder well-being.

The impact of the global pandemic on our carbon emissions, resource usage, operations, and business resiliency has challenged us in new ways, and we will continue to use the information we gathered throughout this time to thoughtfully plan for the future. COVID-19 has also helped guide us in the creation of a more hybrid way of working that will change not only how and where we conduct business, but also how we measure the impact of that work on the environment.

We endorsed the Task Force on Climate-Related Financial Disclosures (TCFD) in 2017. We intend to begin to report in alignment with the recommendations of the TCFD in the near future. We believe that the TCFD disclosure framework—Governance, Strategy, Risk Management, and Metrics and Targets—will encourage better transparency of climate-related financial information, and will help us better assess the climate-related risks and opportunities in our investment portfolios.

While we have made significant progress since 2007 when we began measuring our environmental sustainability efforts, we know that there is still much work to be done. As we look toward the future, our past experiences and insights will inform decision-making and help shape the goals that will benchmark our progress for years to come.
Appendix
APPENDIX

Photo Captions

Cover: Fidelity’s 332-acre Westlake campus in north Texas. The retention pond pictured captures rainwater for all exterior irrigation use.

Page 4: Since 2017, more than 64,000 saplings have been planted across Bangalore and Chennai in India through the engagement of more than 550 Fidelity volunteers and more than 500 community members. Shown here are saplings planted throughout these programs.

Page 5: Roof gardens, like this one at our Boston, Massachusetts site, are leveraged to minimize energy consumption, reduce heat-island effect, enhance microclimates, support biodiversity, improve stormwater management, and provide biophilic benefits for associates.

Page 7: This 3.3-megawatt solar array on site at our Smithfield, Rhode Island campus opened in 2020. Upon completion of the solar array, a native meadow was planted, and apiaries were installed to create a habitat and enhance the local ecosystem.

Page 15: Fidelity’s Westlake, Texas campus (shown here) was the second campus in the company’s real estate portfolio to install a steel-vessel composter. Fidelity was the first large private company to use this technology. The composters are now at every owned site and divert one million pounds of food scraps from landfills annually.

Page 21: This on-site organic farm on our Smithfield, Rhode Island campus represents a successful test-pilot project, providing more than 10,000 lbs. of produce a year to our associates and the local food banks and reducing the carbon impact of our food footprint by an estimated 500,000 lbs. of CO₂ annually. In 2022, we plan to expand this effort by building on-site organic farms at other Fidelity locations.

Page 24: At our Smithfield, Rhode Island campus (shown here), Fidelity associates monitor bluebird and monarch butterfly populations, and report back the findings to the Nature Conservancy.

Page 27: Our Albuquerque, New Mexico campus (shown here) uses xeriscaping as a method of reducing water use in this location.

Page 29: A stone frog sits on the roof deck at 245 Summer Street in Boston. The frog has become an informal Fidelity mascot, first debuting in advertising in 1974 for the Fidelity Daily Income Trust (FDIT), a money market fund with a unique checkwriting feature, the first of its kind at the time.
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Past performance is no guarantee of future results.

Diversification and asset allocation do not ensure a profit or guarantee against loss.

It is not possible to invest directly in an index. All market indexes are unmanaged.

Investment decisions should be based on an individual’s own goals, time horizon, and tolerance for risk.

Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments.

Because of its narrow focus, sector investing tends to be more volatile than investments that diversify across many sectors and companies. Sector investing is also subject to the additional risk associated with its particular industry.

Investing based on environmental, social, and corporate governance (ESG) factors may cause a strategy to forgo certain investment opportunities available to strategies that do not use such criteria. Because of the subjective nature of ESG investing, there can be no guarantee that ESG criteria used by Fidelity in its ESG strategies will reflect the beliefs or values of any particular client. Additionally, Fidelity must rely on ESG-related information that is obtained through third-party reporting and that may be incomplete or inaccurate, which could result in Fidelity imprecisely evaluating an issuer’s practices with respect to ESG factors.

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