



Sustainable Proxy Voting Guidelines – Shareholder Proposals on Natural and Human Capital Issues

March 2025

I. INTRODUCTION

These guidelines are intended to help Fidelity's customers and the companies in which Fidelity invests understand how the team of investment professionals supporting Fidelity's sustainable investing strategies (the "sustainable investing team" or "we") consider, evaluate, and generally vote, on natural and human capital issues that our research has determined are financially material.

For companies held by Fidelity's sustainable investing strategies, including Fidelity funds listed on Exhibit 1, as amended from time to time ("Sustainable Funds"), shareholder proposals related to natural and human capital topics that generally would be voted in accordance with Section V of the Fidelity Proxy Voting Guidelines¹ will be voted instead in accordance with these sustainable guidelines, which augment Section V of the Fidelity Proxy Voting Guidelines. All other proposals for companies held by the Sustainable Funds other than those covered by Section V will continue to be voted in accordance with the Fidelity Proxy Voting Guidelines.

For proposals related to topics not specifically addressed by these guidelines and the principles outlined below, Fidelity starts from the same four-point decision-making framework outlined in Section V of the Fidelity Proxy Voting Guidelines and applies it through the lens of the Sustainable Funds' investment objectives and strategies, which benefit from additional transparency and action on sustainability factors. Under the framework, Fidelity will first and foremost consider whether the proposal addresses a topic that our proprietary research has identified as financially material for the company in question. If the financial materiality threshold is met, we will consider the other elements of the framework, namely whether the proposal would provide valuable information to the business or to investors; whether it would improve transparency without being overly prescriptive; and whether compliance with the proposal is realistic or practical for the company. Importantly, we may evaluate certain elements of the framework (e.g., whether the proposal provides valuable information) differently for the Fidelity Sustainable Funds than for other funds Fidelity manages.

¹ See Fidelity Proxy Voting Guidelines: https://www.fidelity.com/bin-public/060_www_fidelity_com/documents/Full-Proxy-Voting-Guidelines-for-Fidelity-Funds-Advised-by-FMRCo-or-FDS.pdf

II. TRANSPARENCY PRINCIPLES

Fidelity believes that transparency is critical to sound corporate governance. Transparency allows investors to better engage with companies with the goal of creating value for the company and shareholders while mitigating potential risks. In evaluating natural and human capital shareholder proposals for the Sustainable Funds, we begin from Fidelity's overarching approach to stewardship (as outlined in the Stewardship Principles²) and apply the additional voting principles outlined below. On each topic, our goal is to ensure a complete understanding of a company's oversight, process, and progress. To that end, for each topic, we expect companies to share a description of the management and relevant governance process(es), or policies and share relevant data to improve transparency. Where appropriate, we also encourage goal setting that allows companies and investors to track progress on the topic more effectively.

III. NATURAL CAPITAL

Companies that deploy natural resources efficiently and consider the effects of the environment on their assets (including physical assets) are better positioned to deliver value now and in the future.

Climate.

To better assess a company's climate-related risks and opportunities we expect companies to:

- **Management:** Describe specific strategic initiatives and capital allocation priorities supporting any reduction goals adopted as well as the company's climate governance, oversight, and risk-management processes. Additionally, we expect companies to describe the potential risks and opportunities of various possible transition pathways (i.e., orderly, disorderly, status quo), including incorporating carbon pricing considerations and impact on business decisions.
- **Transparency:** Disclose Scope 1, 2 and, where appropriate and available, material Scope 3 greenhouse gas (GHG) emissions using commonly accepted and consistent methodologies (e.g., the GHG Protocol); and, where material and feasible to the company, disclose direct measurement and industry equivalent calculation of intensity data, avoided emissions, and financed emissions information.

Where appropriate, we encourage companies to:

- **Goals:** Set near-, medium-, and long-term reduction goals that are aligned with the business's objectives. We prefer goals that are rigorous, science-based if available for the company's sector, and which demonstrate alignment to global goals.

² See Fidelity Investments Stewardship Principles: https://www.fidelity.com/bin-public/060_www.fidelity.com/documents/about-fidelity/fidelity-stewardship-and-proxy-principles.pdf

Natural Resources.

To better assess a company's natural resources-related risks and opportunities, we expect companies to:

- **Management:** Publish a description of the governance and oversight of financially material issues related to natural resource management and implement initiatives to limit or mitigate natural resource impacts.
- **Transparency:** Provide quantitative disclosure of material impacts to natural resources (i.e., water usage, deforestation, biodiversity) effected through normal business operations, and mitigation plans to reduce those impacts.

Where appropriate, we encourage companies to:

- **Goals:** Establish quantitative, timebound goals (e.g., water intensity, biodiversity loss) to enable investors to assess the company's risk management and mitigation efforts.

Raw Materials & Waste.

To better assess a company's exposure to risks and opportunities related to raw materials and waste, we expect companies to:

- **Management:** Adopt supply chain management policies and governance structures that account for raw materials, describing relevant risks and oversight of those risks. Where feasible, we encourage companies to design processes and products that minimize waste to landfill.
- **Transparency:** Provide quantitative disclosure on the use of raw materials, as well as waste generated by the company (i.e., volume of plastic waste, waste to landfill, percentage of raw materials certified to a sustainability standard).

Where appropriate, we encourage companies to:

- **Goals:** Set goals or objectives for improvement of the reported metrics and strategies to achieve those goals.

IV. HUMAN CAPITAL

No business can succeed over the long term without the support of employees, customers, suppliers, and the communities in which it operates. We find issuers that carefully manage and invest in these key relationships build lasting resilience and competitive advantage.

Workforce & Talent Management.

To better assess a company's workforce related risks and opportunities we expect companies to (where, and to the extent, permitted by law):

- **Management:** Publish a description of the oversight and/or governance processes for workforce related policies and procedures, including whistleblower, ethics, discrimination, and harassment policies.
- **Transparency:** Publish: a) an adjusted pay gap analysis that includes all components of compensation (base, bonus and equity); b) an unadjusted pay gap analysis (which includes all components of compensation); c) data showing the total number of employees and demographics, the number of

employees in each job category and demographics, and the number of employees in each company location or major region of operation and demographics; d) total compensation and benefits costs by employee category; e) the total number of employees who have voluntarily left the company in a given period of time and their demographics.

Where appropriate, we encourage companies to:

- **Goals:** Set goals or objectives for improvement of the reported metrics and strategies to achieve those goals.

Human Rights.

To better assess a company's human-rights related risks and opportunities we expect companies to:

- **Management:** Adopt a Supply Chain Code of Conduct (the "Code") that is aligned with the United Nations Universal Declaration of Human Rights³ and United Nations Guiding Principles on Business and Human Rights (UNGP) and describe the governance or accountability mechanism for enforcement of the Code or explaining why that may not be appropriate for their business.
- **Transparency:** Consider whether, and how frequently, suppliers are audited for compliance with the company's Code and the proportion of the supply chain – Tier 1, 2, and 3 where relevant – that is annually audited, along with summary findings and corrective actions taken by the company.

Where appropriate, we encourage companies to:

- **Goals:** Set goals or objectives for improvement of the reported metrics and strategies to achieve those goals.

³ Universal Declaration of Human Rights, United Nations, 10 December 1948,

<https://www.un.org/sites/un2.un.org/files/2021/03/udhr.pdf>.

By clicking this link, you are leaving Fidelity.com for another website. The site owner is not affiliated with Fidelity and is solely responsible for the information and services it provides. Fidelity disclaims any liability arising from your use of such information or services. Review the new site's terms, conditions, and privacy policy, as they will be different from those of Fidelity's sites.

Sustainable Funds

| |
|--|
| Fidelity Sustainability Bond Index Fund |
| Fidelity Sustainable US Equity Fund |
| Fidelity Sustainable US Equity ETF |
| Fidelity Sustainable Emerging Markets Equity Fund |
| Fidelity Sustainable International Equity Fund |
| Fidelity Sustainable High Yield ETF |
| Fidelity Sustainable Core Plus Bond Fund |
| Fidelity Sustainable Core Plus Bond ETF |
| Fidelity Sustainable Intermediate Municipal Income Fund |
| Fidelity Sustainable Low Duration Bond Fund |
| Fidelity Sustainable Low Duration Bond ETF |
| Fidelity Environment & Alternative Energy Fund |
| Fidelity Women's Leadership Fund |
| Fidelity Women's Leadership ETF |
| Fidelity Water Sustainability Fund |
| Fidelity Climate Action Fund |
| Fidelity Environmental Bond Fund |
| Fidelity Healthy Future Fund |
| Fidelity SAI Sustainable US Equity Fund |
| Fidelity SAI Sustainable Sector Fund |
| Fidelity SAI Sustainable Emerging Markets Equity Fund |
| Fidelity SAI Sustainable International Equity Fund |
| Fidelity SAI Sustainable Low Duration Income Fund |
| Fidelity SAI Sustainable Core Plus Bond Fund |
| Fidelity SAI Sustainable Municipal Income Fund |
| Fidelity SAI Sustainable Conservative Income Municipal Bond Fund |
| Fidelity Series Sustainable US Market Fund |
| Fidelity Series Sustainable Non-US Developed Markets Fund |
| Fidelity Series Sustainable Emerging Markets Fund |
| Fidelity Series Sustainable Investment-Grade Bond Fund |

+++

Information provided in, and presentation of, this document are for informational and educational purposes only and are not a recommendation to take any particular action, or any action at all, nor an offer or solicitation to buy or sell any securities or services presented. It is not investment advice. Fidelity does not provide legal or tax advice.

Before making any investment decisions, you should consult with your own professional advisers and take into account all of the particular facts and circumstances of your individual situation.

Fidelity and its representatives may have a conflict of interest in the products or services mentioned in these materials because they have a financial interest in them, and receive compensation, directly or indirectly, in connection with the management, distribution, and/or servicing of these products or services, including Fidelity funds, certain third-party funds and products, and certain investment services.

Views expressed are as of the date indicated, based on the information available at that time, and may change based on market and other conditions. Fidelity does not assume any duty to update any of the information.

Stock markets are volatile and can fluctuate significantly in response to company, industry, political, regulatory, market, or economic developments. Investing in stock involves risks, including the loss of principal.

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 sustainable investing, there can be no guarantee that ESG criteria used by Fidelity will reflect the beliefs or values of any particular client.

In general, the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities). Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties.

Investing involves risk, including risk of loss.

Past performance is no guarantee of future results.

Before investing in any mutual fund or exchange-traded fund, you should consider its investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus, an offering circular, or, if available, a summary prospectus containing this information. Read it carefully.

Fidelity Brokerage Services LLC, Member NYSE,
SIPC, 900 Salem Street, Smithfield, RI 02917

National Financial Services LLC, Member NYSE,
SIPC, 245 Summer Street, Boston, MA 02205

Fidelity Distributors Company LLC, 900 Salem Street,
Smithfield, RI 02917

© 2025 FMR LLC. All rights reserved.

1120754.2.0