

# Forth Ports Group Pension Scheme Implementation Statement for the year ended 5 April 2023

## Purpose

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This Implementation Statement provides information on how, and the extent to which, the Trustees of the Forth Ports Group Pension Scheme (“the Scheme”) have followed their policy in relation to the exercising of rights (including voting rights) attached to the Scheme’s investments, and engagement activities during the year ended 5<sup>th</sup> April 2023 (“the reporting year”). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

## Background

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In Q2 2019, the Trustees received training on Environmental, Social and Governance (“ESG”) issues from their Investment Adviser, XPS Investment (“XPS”) and discussed their beliefs around those issues. This enabled the Trustees to consider how to update their policy in relation to ESG and voting issues which, up until that point, had simply been a broad reflection of the investment managers’ own equivalent policies. The Trustees’ new policy was first documented in the updated Statement of Investment Principles dated September 2019, and remains in the current Statement of Investment Principles.

## The Trustees’ updated policy

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The Trustees believe that there can be financially material risks relating to ESG issues. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme’s investment managers. The Trustees require the Scheme’s investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme’s investments to the investment managers and encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

## Manager selection exercises

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One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustees seek advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

During the reporting period, the Trustees decided to simplify the Scheme’s investment strategy by fully disinvesting from the Fidelity Emerging Markets Equity Fund, the Nuveen UK Property Fund and the LGIM All World Equity Index Fund with the proceeds being allocated to a Synthetic Equity Structure within Schroders Solutions (Formerly River and Mercantile). This transition took place in July 2022. The synthetic equity arrangement involves purchasing derivatives in order to replicate the returns on a basket of benchmark equity indices. Consideration was given to whether it was possible for the arrangement to replicate a market index weighted towards companies with positive ESG policies and away from those with negative ESG policies. However, at the time, it was felt that derivatives on suitable equity indices were not sufficiently liquid.

During September and October 2022, with the market turmoil in the UK Gilts markets, the Trustees fully disinvested its Equity Derivative strategies (both the structured equity portfolio and the synthetic equity portfolio mentioned above) for liquidity purposes to support the liability hedge portfolio, also held with Schroders. In addition to this, the LGIM Diversified

Fund and Columbia Threadneedle Dynamic Real Return Fund were also terminated to provide additional liquidity during this period of market stress.

## Ongoing governance

The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this statement. Further, the Trustees have set XPS the objective of ensuring the selected managers reflect the Trustees' and Company's views on ESG (including climate change) and stewardship.

During their February 2023 meeting, the Trustees discussed the results of the investment beliefs survey that Trustees completed, of which ESG was a key component. The conclusions were that the Trustees believe that ESG and climate change issues are financially material and that they have a clear ESG policy in place that reflects the views of the Trustees. There was a strong agreement by all that ESG and climate change should be captured within decision making. Sustainability being an important consideration where it does not detract from returns, or add risk, was a favoured outcome by those who completed the survey.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on developments within the industry. In particular, whilst the Trustees have not, to date, introduced specific stewardship priorities, they will monitor the results of those votes deemed by the managers to be most significant in order to determine whether specific priorities should be introduced and communicated to the managers

## Adherence to the Statement of Investment Principles

During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

## Voting activity

The main asset class where the investment managers have voting rights is equities. The Scheme had specific allocations to both public and private equities throughout the Scheme year, and investments in equities also form part of the strategy for diversified growth funds in which the Scheme had invested. The Scheme no longer holds any of these funds therefore a summary of the voting behaviour and most significant votes cast by each of the relevant investment manager organisations is shown below covering only the period in which the Scheme held these funds. The summary was provided by the investment managers directly.

### Columbia Threadneedle Dynamic Real Return Fund

<b>Voting Information</b>
<b>Columbia Threadneedle Dynamic Real Return Fund</b>
The manager voted on 98.81% of resolutions of which they were eligible out of 4207 eligible votes.
<b>Investment Manager Client Consultation Policy on Voting</b>

N/a for pooled vehicles

### Investment Manager Process to determine how to Vote

Proxy voting decisions are made in accordance with the principles established in the Columbia Threadneedle Investments Corporate Governance and Proxy Voting Principles (Principles) document, and our proxy voting practices are implemented through our Proxy Voting Policy.

For those proposals not covered by the Principles, or those proposals set to be considered on a case by case basis (i.e., mergers and acquisitions, share issuances, proxy contests, etc.), the analyst covering the company or the portfolio manager that owns the company will make the voting decision. We utilise the proxy voting research of ISS and Glass Lewis & Co., which is made available to our investment professionals, and our RI team will also consult on many voting decisions.

The administration of our proxy voting process is handled by a central point of administration at our firm (the Global Proxy Team). Among other duties, the Global Proxy Team coordinates with our third-party proxy voting and research providers.

Columbia Threadneedle Investments utilises the proxy voting platform of Institutional Shareholder Services, Inc. (ISS) to cast votes for client securities and to provide recordkeeping and vote disclosure services. We have retained both Glass, Lewis & Co. and ISS to provide proxy research services to ensure quality and objectivity in connection with voting client securities.

In voting proxies on behalf of our clients, we vote in consideration of all relevant factors to support the best economic outcome in the long-run. As an organisation, our approach is driven by a focus on promoting and protecting our clients' long-term interests; while we are generally supportive of company management, we can and do frequently take dissenting voting positions. While final voting decisions are made under a process informed by the RI team working in collaboration with portfolio managers and analysts, our Global Proxy Team serves as the central point of proxy administration with oversight over all votes cast and ultimate responsibility for the implementation of our Proxy Voting Policy. Our voting is conducted in a controlled environment to protect against undue influence from individuals or outside groups.

### How does this manager determine what constitutes a 'Significant' Vote?

We consider a significant vote to be any dissenting vote i.e. where a vote is cast against (or where we abstain/withhold from voting) a management-tabled proposal, or where we support a shareholder-tabled proposal not endorsed by management.

### Does the manager utilise a Proxy Voting System? If so, please detail

As active investors, well informed investment research and stewardship of our clients' investments are important aspects of our responsible investment activities. Our approach to this is framed in the relevant Responsible Investment Policies we maintain and publish. These policy documents provide an overview of our approach in practice (e.g., around the integration of environmental, social and governance (ESG) and sustainability research and analysis).

As part of this, acting on behalf of our clients and as shareholders of a company, we are charged with responsibility for exercising the voting rights associated with that share ownership. Unless clients decide otherwise, that forms part of the stewardship duty we owe our clients in managing their assets. Subject to practical limitations, we therefore aim to exercise all voting rights for which we are responsible, although exceptions do nevertheless arise (for example, due to technical or administrative issues, including those related to Powers of Attorney, share blocking, related option rights or the presence of other exceptional or market-specific issues). This provides us with the opportunity to use those voting rights to express our preferences on relevant aspects of the business of a company, to highlight concerns to the board, to promote good practice and, when appropriate, to exercise related rights. In doing so we have an obligation to ensure that we do that in the best interests of our clients and in keeping with the mandate we have from them.

Corporate governance has particular importance to us in this context, which reflects our view that well governed companies are better positioned to manage the risks and challenges inherent in business, capture opportunities that help deliver sustainable growth and returns for our clients. Governance is a term used to describe the arrangements and practices that frame how directors and management of a company organise and operate in leading and directing a business on behalf of the shareholders of the company.

Such arrangements and practices give effect to the mechanisms through which companies facilitate the exercise of shareholders' rights and define the extent to which these are equitable for all shareholders.

We recognise that companies are not homogeneous and some variation in governance structures and practice is to be expected. In formulating our approach, we are also mindful of best practice standards and codes that help frame good practice, including international frameworks and investment industry guidance.

While we are mindful of company and industry specific issues, as well as normal market practice, in considering the approach and proposals of a company we are guided solely by the best interests of our clients and will consider any issues and related disclosures or explanations in that context. While analysing meeting agendas and making voting decisions, we use a range of research sources and consider various ESG issues, including companies' risk management practices and evidence of any controversies. Our final vote decisions take account of, but are not determinatively informed by, research issued by proxy advisory organisations such as ISS, IVIS and Glass Lewis as well as MSCI ESG Research. Proxy voting is effected via ISS.

### Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
General Motors Company	Report on the Use of Child Labor in Connection with Electric Vehicles	For	Fail

Supporting better ESG risk management disclosures			
Amazon.com Inc	Report on Protecting the Rights of Freedom of Association and Collective Bargaining	For	Fail
Supporting better ESG risk management disclosures			
Alphabet Inc.	Commission Third Party Assessment of Company's Management of Misinformation and Disinformation Across Platforms	For	Fail
Supporting better ESG risk management disclosures			
The TJX Companies, Inc.	Report on Assessing Due Diligence on Human Rights in Supply Chain	For	Fail
Supporting better ESG risk management disclosures			
Uber Technologies, Inc.	Report on Lobbying Payments and Policy	For	Fail
Supporting better ESG risk management disclosures			

#### LGIM Diversified Fund

#### Voting Information

#### LGIM Diversified Fund

The manager voted on 99.82% of resolutions of which they were eligible out of 99252 eligible votes.

#### Investment Manager Client Consultation Policy on Voting

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

#### Investment Manager Process to determine how to Vote

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

### How does this manager determine what constitutes a 'Significant' Vote?

As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account.

For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

We provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.

The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions.

If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at <https://vds.issgovernance.com/vds/#/MjU2NQ==/>

### Does the manager utilise a Proxy Voting System? If so, please detail

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions.

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold

what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

### Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Prologis, Inc.	Resolution 1a - Elect Director Hamid R. Moghadam	Against	92.9% of shareholders supported the resolution.
<p>Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight.</p> <p>Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.</p>			
Union Pacific Corporation	Resolution 1e - Elect Director Lance M. Fritz	Against	91.7% of shareholders supported the resolution.
<p>A vote against is applied as LGIM expects companies not to recombine the roles of Board Chair and CEO without prior shareholder approval.</p>			
NextEra Energy, Inc.	Resolution 1j - Elect Director Rudy E. Schupp	Against	85.9% of shareholders supported the resolution.
<p>Diversity: A vote against is applied as LGIM expects a company to have at least 25% women on the board with the expectation of reaching a minimum of 30% of women on the board by 2023. We are targeting the largest companies as we believe that these should demonstrate leadership on this critical issue.</p> <p>Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.</p>			
Royal Dutch Shell Plc	Resolution 20 - Approve the Shell Energy Transition Progress Update	Against	79.9% of shareholders supported the resolution.

<p>A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, we remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.</p>			
<b>American Tower Corporation</b>	<b>Resolution 1f - Elect Director Robert D. Hormats</b>	<b>Against</b>	<b>98.1% of shareholders supported the resolution.</b>
<p>A vote against is applied as the company has an all-male Executive Committee.</p>			

**LGIM All World Equity Index - GBP Hedged**

<p><b>Voting Information</b></p>
<p><b>LGIM All World Equity Index - GBP Hedged</b></p>
<p>The manager voted on 99.88% of resolutions of which they were eligible out of 68320 eligible votes.</p>
<p><b>Investment Manager Client Consultation Policy on Voting</b></p>
<p>LGIM’s voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.</p> <p>Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.</p>
<p><b>Investment Manager Process to determine how to Vote</b></p>
<p>All decisions are made by LGIM’s Investment Stewardship team and in accordance with our relevant Corporate Governance &amp; Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.</p>
<p><b>How does this manager determine what constitutes a 'Significant' Vote?</b></p>



As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account.

For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
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If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at: <https://vds.issgovernance.com/vds/#/MjU2NQ==/>

### Does the manager utilise a Proxy Voting System? If so, please detail

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions. For more information on how we use the services of proxy providers, please refer to the following document available on our website: [https://www.lgim.com/landg-assets/lgim/\\_document-library/capabilities/how-lgim-uses-proxy-voting-services.pdf](https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/how-lgim-uses-proxy-voting-services.pdf)

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes

input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

### Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Amazon.com, Inc	Resolution 1f - Elect Director Daniel P. Huttenlocher	Against	93.3% of shareholders supported the resolution.
A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.			
Alphabet Inc.	Resolution 7 - Report on Physical Risks of Climate Change	For	17.7% of shareholders supported the resolution.
A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.			
Meta Platforms, Inc	Resolution 5 - Require Independent Board Chair	For	16.7% of shareholders supported the resolution.
A vote in favour is applied as LGIM expects companies to establish the role of independent Board Chair.			
NVIDIA Corporation	Resolution 1g - Elect Director Harvey C. Jones	Against	83.8% of shareholders supported the resolution.
Diversity: A vote against is applied as LGIM expects a company to have at least 25% women on the board with the expectation of reaching a minimum of 30% of women on the board by 2023. We are targeting the largest companies as we believe that these should demonstrate leadership on this critical issue.			
Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.			
Exxon Mobil Corporation	Resolution 6 - Set GHG Emissions Reduction targets Consistent With Paris Agreement Goal	For	27.1% of shareholders supported the resolution.
A vote FOR is applied in the absence of reductions targets for emissions associated with the company's sold products and insufficiently ambitious interim operational targets. LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5 C goal.			

**BlackRock Market Advantage Fund**
**Voting Information**
**BlackRock Market Advantage Fund**

The manager voted on 99% of resolutions of which they were eligible out of 24,650 eligible votes.

**Investment Manager Client Consultation Policy on Voting**

BlackRock believes that companies are responsible for ensuring they have appropriate governance structures to serve the interests of shareholders and other key stakeholders. We believe that there are certain fundamental rights attached to shareholding. Companies and their boards should be accountable to shareholders and structured with appropriate checks and balances to ensure that they operate in shareholders' best interests to create sustainable value. Shareholders should have the right to vote to elect, remove, and nominate directors, approve the appointment of the auditor, and amend the corporate charter or by-laws.

Consistent with these shareholder rights, we believe BlackRock has a responsibility to monitor and provide feedback to companies, in our role as stewards of our clients' investments. BlackRock Investment Stewardship ("BIS") does this through engagement with management teams and/or board members on material business issues including environmental, social, and governance ("ESG") matters and, for those clients who have given us authority, through voting proxies in the best long-term economic interests of our clients. We also participate in the public debate to shape global norms and industry standards with the goal of a policy framework consistent with our clients' interests as long-term shareholders.

BlackRock looks to companies to provide timely, accurate, and comprehensive reporting on all material governance and business matters, including ESG issues. This allows shareholders to appropriately understand and assess how relevant risks and opportunities are being effectively identified and managed. Where company reporting and disclosure is inadequate or the approach taken is inconsistent with our view of what supports sustainable long-term value creation, we will engage with a company and/or use our vote to encourage a change in practice.

BlackRock views engagement as an important activity; engagement provides us with the opportunity to improve our understanding of the business and ESG risks and opportunities that are material to the companies in which our clients invest. As long-term investors on behalf of clients, we seek to have regular and continuing dialogue with executives and board directors to advance sound governance and sustainable business practices, as well as to understand the effectiveness of the company's management and oversight of material issues. Engagement is an important mechanism for providing feedback on company practices and disclosures, particularly where we believe they could be enhanced. We primarily engage through direct dialogue but may use other tools such as written correspondence to share our perspectives. Engagement also informs our voting decisions.

BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. These high-level Principles are the framework for our more detailed, market-specific voting guidelines, all of which are published on the BlackRock website. The Principles describe our philosophy on stewardship (including how we monitor and engage with companies), our policy on voting, our integrated approach to stewardship matters and

how we deal with conflicts of interest. These apply across relevant asset classes and products as permitted by investment strategies. BlackRock reviews our Global Principles annually and updates them as necessary to reflect in market standards, evolving governance practice and insights gained from engagement over the prior year.

Our Global Principles available on our website at <https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf>

### Investment Manager Process to determine how to Vote

The team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. Our voting guidelines are market-specific to ensure we take into account a company's unique circumstances by market, where relevant. We inform our vote decisions through research and engage as necessary. Our engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. We may also update our regional engagement priorities based on issues that we believe could impact the long-term sustainable financial performance of companies in those markets.

We welcome discussions with our clients on engagement and voting topics and priorities to get their perspective and better understand which issues are important to them. As outlined in our Global Principles, BlackRock determines which companies to engage directly based on our assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of our engagement being productive. Our voting guidelines are intended to help clients and companies understand our thinking on key governance matters. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. We inform our vote decisions through research and engage as necessary. If a client wants to implement their own voting policy, they will need to be in a segregated account. BlackRock's Investment Stewardship team would not implement the policy ourselves, but the client would engage a third-party voting execution platform to cast the votes.

### How does this manager determine what constitutes a 'Significant' Vote?

BlackRock Investment Stewardship prioritizes its work around themes that we believe will encourage sound governance practices and deliver sustainable long-term financial performance. Our year-round engagement with clients to understand their priorities and expectations, as well as our active participation in market-wide policy debates, help inform these themes. The themes we have identified in turn shape our Global Principles, market-specific Voting Guidelines and Engagement Priorities, which form the benchmark against which we look at the sustainable long-term financial performance of investee companies.

We periodically publish "vote bulletins" setting out detailed explanations of key votes relating to governance, strategic and sustainability issues that we consider, based on our Global Principles and Engagement Priorities, material to a company's sustainable long-term financial performance. These bulletins are intended to explain our vote decision, including the analysis underpinning it and relevant engagement history when applicable, where the issues involved are likely to be high-profile and therefore of interest to our clients and other stakeholders, and potentially represent a material risk to the investment we undertake on behalf of clients. We make this information public shortly after the shareholder meeting, so clients and others can be aware of our

vote determination when it is most relevant to them. We consider these vote bulletins to contain explanations of the most significant votes for the purposes of evolving regulatory requirements.

**Does the manager utilise a Proxy Voting System? If so, please detail**

BlackRock’s proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas (“AMRS”), Asia-Pacific (“APAC”), and Europe, Middle East and Africa (“EMEA”) - located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock’s Global Principles and custom market-specific voting guidelines.

While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company’s own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.

In summary, proxy research firms help us deploy our resources to greatest effect in meeting client expectations

- BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty to enhance the value of clients’ assets, using our voice as a shareholder on their behalf to ensure that companies are well led and well managed
- We use proxy research firms in our voting process, primarily to synthesise information and analysis into a concise, easily reviewable format so that our analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial
- We do not follow any single proxy research firm’s voting recommendations and in most markets, we subscribe to two research providers and use several other inputs, including a company’s own disclosures, in our voting and engagement analysis
- We also work with proxy research firms, which apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision
- The proxy voting operating environment is complex and we work with proxy research firms to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting

**Top 5 Significant Votes during the Period**

Company	Voting Subject		Result
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		How did the Investment Manager Vote?	
Bank of Montreal	Adopt a Policy to Ensure the Bank's Financing is Consistent with IEA's Net Zero Emissions by 2050 Scenario	Against	Fail
BIS did not support this shareholder proposal because it is overly prescriptive, unduly constraining on management and board decision-making, and would limit the company's ability to support an orderly energy transition. Further, we consider the company to have made a clear commitment to align their business model with the transition to a net zero economy, which includes greenhouse gas (GHG) emissions reductions targets.			
Barclays Plc	Approve Barclays' Climate Strategy, Targets and Progress 2022	For	Pass
BIS supported this proposal in recognition of the company's disclosed plan to manage climate-related risks and opportunities and the company's progress against this plan. We do, however, believe there are areas where the company could enhance its disclosure.			
J Sainsbury Plc	Shareholder Resolution on Living Wage Accreditation	Against	Fail
BIS recognizes the importance of frontline workers to Sainsbury's long-term success, and we see pay and benefits more broadly as a critical issue for companies to be managing effectively. However, BIS did not support the proposal given Sainsbury's strong positive track record on offering above-market employee benefits and because we believe the legally binding proposal is unduly constraining on management decision-making on a critical operational and financial issue given that it would require management to cede control of worker pay to a third-party entity.			
Siemens AG	Amend Articles Re: Participation of Supervisory Board Members in the Annual General Meeting by Means of Audio and Video Transmission	For	Pass
BIS supported these management proposals because they were aligned with regulatory requirements and, in our assessment, the company was taking the necessary steps to ensure that shareholder rights were respected.			
Siemens AG	Approve Virtual-Only Shareholder Meetings Until 2025	For	Pass
BIS supported these management proposals because they were aligned with regulatory requirements and, in our assessment, the company was taking the necessary steps to ensure that shareholder rights were respected.			

**Fidelity Emerging Markets Fund.**

<b>Voting Information</b>
<b>Fidelity Emerging Markets Fund</b>

The manager voted on 99.7% of resolutions of which they were eligible out of 758 eligible votes.

### Investment Manager Client Consultation Policy on Voting

We typically do not consult clients before voting. Fidelity's approach and policy with regard to the exercise of voting rights are in accordance with all applicable laws and regulations as well as being consistent with the respective investment objectives of the portfolio.

### Investment Manager Process to determine how to Vote

We have a specialist in-house Sustainable Investing team that has responsibility for and coordinates Fidelity's approach to sustainable investing and the implementation of our voting policies. The Sustainable Investing team is part of Fidelity's Investment Management team and collaborates with the firm's global team of investment analysts and portfolio managers to monitor, analyse and engage on ESG matters and voting with investee companies. The integration of the two teams ensures continuous collaboration which also includes regular cross team meetings, presentations and sharing of relevant data across key platforms. The Sustainable Investing team is responsible for voting activities, is based across a number of our global offices, and includes proxy voting and corporate governance experts. Information on the voting process is derived from a variety of sources and includes material provided by the company, proxy voting advisory services, internal and external research. Discussions may also be held with investee companies themselves.

Our votes are cast in accordance with Fidelity's established voting policies after consultation with the relevant portfolio managers where appropriate. We will generally consult the relevant portfolio managers and analysts before voting on certain resolutions, including items related to mergers and acquisitions (M&A), capital raisings, debt issuances, material changes to the articles and votes against management in cases where our shareholding is material. When voting, we consider the circumstances of investee companies and prevailing local market best practice. Fidelity's policy and approach to exercising its voting rights consider applicable laws and regulations and are consistent with the investment objectives of the various portfolios. We seek to vote all equity securities unless there is a regulatory obligation for us not to do so, or when the expected benefit of voting is outweighed by the expected costs. In cases when our shares will be immobilised from trading if we vote ("share blocking") or when there are onerous requirements for voting, we may consider not voting part or all of the holdings. We will not vote at the shareholder meetings of Fidelity funds unless specifically instructed by a client. The Sustainable Investing team carries out voting activities for the majority of our funds, including Fidelity Canada funds where Fidelity is the investment manager and segregated mandates where the client has delegated to us authority over voting decisions. For a minority of Fidelity-managed funds, voting is carried out in the local market where this is a regulatory requirement. In cases where Fidelity sub-delegates investment management responsibility for certain assets to third parties, voting activity is conducted by the investment manager to whom investment authority has been delegated, in accordance with that manager's voting policies.

Fidelity's voting instructions are generally processed electronically via our proxy voting agent, Institutional Shareholder Services (ISS). Our proxy voting agent provides general meeting notifications, processes our voting instructions, and records this activity for subsequent reporting purposes. Additionally, we subscribe to a number

of corporate governance and voting advisory services. We have a set of customised policies with our voting agent but as mentioned above all eventual voting decisions are always made in accordance with Fidelity's policies and voting guidelines.

In instances where a fund holds an investment in more than one party to a transaction, we will always act in the interests of the specific fund in question and in instances where there is a conflict with Fidelity's own interests, we will either vote in accordance with the recommendation of our principal third party research provider or, if no recommendation is available, we will either abstain or not vote. We do not vote at shareholder meetings of any Fidelity funds unless specially instructed to do so by a client.

We encourage boards to consult with investors in advance rather than risk putting forward resolutions at general meetings which may be voted down. Subject to the size of our investment, where our views differ from those of the board, we will seek to engage with the board at an early stage to try and resolve differences. Where this is not successful and we decide to abstain or vote against a company, for all of our larger holdings we will generally ensure that the management understands the reason for our opposition. We abstain when we have insufficient information to form our view, and where there are restrictions that do not permit us to cast our vote, but in some markets we also abstain where we wish to give a cautionary message to a company. Our guiding principle is that voting rights should always be exercised in the best interest of our clients.

It is not our usual policy to attend shareholder meetings but if circumstances warrant, we will on occasion vote in person and may additionally make a statement explaining our position. In exceptional circumstances, we may also submit a resolution for a shareholder vote at a general meeting. We encourage those companies that still undertake voting by a show of hands to move towards implementing poll voting.

We disclose our voting record for the preceding 12 months on our website (<https://www.fidelity.co.uk/voting-record/>) and this information is updated on a quarterly basis. Quarterly voting reports are provided to institutional clients as well as a more in-depth annual sustainable investing report.

Please refer to our sustainable investing voting principles and guidelines at <https://professionals.fidelity.co.uk/static/master/media/pdf/esg/Fidelity-Voting-Principles-Guidelines.pdf>

### How does this manager determine what constitutes a 'Significant' Vote?

There are broadly two key types of assessment considerations that will frame and contribute to whether a vote is assessed as 'significant' - those relating to the vote we submit, the size of our position, the nature of the agenda items, the materiality of our vote instruction, and the issuer's market (intrinsic considerations) and factors that are dependent on views or special situations internal to Fidelity or that occur in the market (situational/ extrinsic considerations). Additional relevant factors may also be considered. Factors relating to the assessment of our voting activity will be weighed holistically, and with recency, when identifying Fidelity's most significant votes and our framework sets out to assist, not dictate, this assessment. Fidelity retains discretion to determine which of the 'significant' votes identified under this Framework are reported in line with its regulatory reporting requirements.

'Significant' votes will be identified, assessed and reviewed regularly on a periodic frequency by the Sustainable Investing Team.



### Does the manager utilise a Proxy Voting System? If so, please detail

Fidelity's voting instructions are generally processed electronically via our proxy voting agent Institutional Shareholder Services (ISS). Our proxy voting agent provides general meeting notifications, processes our voting instructions, and records this activity for subsequent reporting purposes. Additionally, we subscribe to a number of corporate governance and voting advisory services. We have a set of customised policies with our voting agent, but all eventual voting decisions are always made in accordance with Fidelity's policies and voting guidelines.

### Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
ANTA Sports Products Limited	Elect Lai Shixian as Director	Against Management	The resolution was approved at the AGM.
We aim to continue monitor and engage with company on the female representation.			
ANTA Sports Products Limited	Approve KPMG as Auditor and Authorize Board to Fix Their Remuneration	Against management	The resolutions was approved at the AGM.
We will continue to monitor the company's governance practices.			
ANTA Sports Products Limited	Authorize Reissuance of Repurchased Shares	Against Management	All resolutions were approved at the meeting. However, 18.25% of votes cast were against the proposal related to the re-issuance of repurchased shares we did not support.
We will continue to monitor the company's governance practices.			
AIA Group Limited	Elect George Yong-Boon Yeo as Director	Against Management	All resolutions were approved at the meeting. However, 7.74% of votes cast were against the proposal related to the reappointment of the director we did not support

We aim to continue monitor and engage with company on the female representation.			
Anglo American Plc	Approve Climate Change Report	Abstain	The resolution was approved at the AGM by a majority of 94%
We plan to continue monitoring the company's climate strategy and practices.			

Signed: Signed by Mike Roberts, Chair of Trustees

Date: December 2023