

BELFAST HARBOUR COMMISSIONERS' PENSION SCHEME

Appendix A: **Annual Implementation Statement**

1. Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles ("SIP") produced by the Trustee has been followed from 1 January 2024 to 31 December 2024 (the "Scheme year").

This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the statutory guidance on reporting on stewardship in the implementation statement dated 17 June 2022.

In addition, this statement also describes any reviews and changes to the SIP during the Scheme year and sets out details of voting behaviour that has been carried out, on behalf of the Trustee, by the investment managers during the Scheme year. The Statement covers both the defined benefit section ("the DB Section") and the defined contribution sections ("the DC Section") of the Scheme and should be read in conjunction with the Scheme's SIP for each Section.

2. Investment Objectives of the Scheme

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the DB and DC Section of the Scheme included in the SIP are as follows:

DB Section

The Trustee considers that its broad objective is to invest the Scheme's assets in such a manner that members' entitlements can be paid when they fall due. As a key step to achieving this, the Trustee, following consultation with the Company, has entered into a bulk annuity contract issued by Aviva. Aviva is authorised by the Prudential Regulation Authority to write contracts of long term life insurance of this nature in the UK.

Future benefits payable from the Scheme are being funded by the bulk annuity policy.

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DC Section

The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives. The Trustee also recognises that members have different attitudes to risk. The Trustee believes that members should make their own investment decisions based on their individual circumstances. The Trustee's objectives are therefore to make available a range of investment options for this purpose.

The Trustee undertakes to review the Scheme's fund choices offered to members and the investment manager arrangements on a regular basis.

The Trustee also recognises that, despite encouragement, many members will not make their own investment decision. Therefore, the Trustee has made a default option available for members.

3. Review of the SIP

The DB section SIP was updated in June 2024 to better reflect the Scheme's desire to continue with the buy-in for the foreseeable future.

The last review of the DC section of the SIP was in November 2023, therefore there have been no changes to the policies set out later in this Statement during the Scheme year. A detailed investment strategy review is scheduled for 2025 and any changes agreed and implemented will be reflected in the SIP.

The latest SIPs are publicly available and can be accessed via this link: <https://www.belfast-harbour.co.uk/publications/>

Assessment of the policies in the SIP applicable to the Scheme from 1 January 2024 to 31 December 2024

The information provided in this section highlights how the Trustee has followed the policies in the SIPs. Covering the work undertaken by the Trustee during the Scheme year, and longer term where relevant. **In summary, it is the Trustee's view that the policies in the SIP have been followed during the Scheme year to 31 December 2024.**

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	Requirement	Policy	From 1 January 2024 to 31 December 2024
1	Securing compliance with the legal requirements about choosing investments	<i>Trustee obtains advice from their investment consultant, enabling the Trustee to choose investment vehicles that can fulfil the Scheme's investment objectives. In the Trustee's opinion this is consistent with the requirements of Section 36 of the Pensions Act 1995.</i>	<p><u>DB Section</u></p> <p>There were no changes to the DB investments over the year, with the only invested assets for the Scheme being a holding in the LGIM Sterling Liquidity Fund.</p> <p><u>DC Section</u></p> <p>No investment changes were made during the Scheme year. However, the Scheme's investment consultants attended all Trustee meetings during the year and provided updates on fund performance and, where required, commentary on the appropriateness of the funds used.</p>
2	Kinds of investments to be held	<p><u>DB Section</u></p> <p><i>The Trustee is satisfied the spread of assets by type and the spread of individual securities within each type provides adequate diversification of investments for risk management purposes. The process for choosing investments is as follows:</i></p> <ul style="list-style-type: none"> <i>Identify appropriate investment objectives</i> <i>Agree the level of risk consistent with meeting the objectives set</i> <i>Construct a portfolio of investments that is expected to maximise the return (net of all costs) given the targeted level of risk</i> <p><u>DC Section</u></p> <p><i>The Trustee's policy is to make available a range of funds which they believe provide appropriate strategic choices for members' different saving objectives, risk profiles and time horizons. Members themselves determine the fund(s) in which they choose to invest. The asset classes that are available include equities, a diversified growth fund, money market instruments, index-linked gilts, corporate</i></p>	<p><u>DB Section</u></p> <p>The Trustee's long term objective is to meet its pension obligations by the use of a bulk annuity. To this end the Trustee has purchased one bulk annuity policy with Aviva. All liabilities are expected to be met by the existing annuity policy.</p> <p>The Trustee will also hold cash within the Trustee Bank Account and the LGIM Sterling Liquidity Fund for ongoing expenses some of which will go towards any true up premium following the completion of the data cleanse being undertaken as part of the buy-in exercise as well as for payment of ongoing Company contributions to the DC Section.</p> <p><u>DC Section</u></p> <p>No changes were made to the default strategy or self-select fund range during the Scheme year and the kinds of investment held in the Scheme remain consistent with the latest version of the SIP.</p> <p>The ongoing suitability of the funds in both the default strategy and the self-select fund range was monitored quarterly through performance reporting during the year.</p>

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		<p><i>bonds and property. It is the Trustee's policy to offer both active and passive management options to members where appropriate, depending on asset class. In addition, members have the option of having their funds invested in a range of target dated strategies where members' funds are invested in higher risk type funds such as equities when members are younger and as the member nears their retirement age are switched to funds designed to match how members wish to take their benefits (annuity income, drawdown or cash). Members who do not indicate a preference are invested in the default option.</i></p>	<p>The default strategy is formally reviewed at least every three years or immediately following any significant change in investment policy or the Scheme's membership. The next strategy review will take place in 2025.</p>
3	The balance between different kinds of investments	<p><u>DB Section</u> <i>The Trustee has adopted a control framework in structuring the Scheme's investments subject to the overriding constraint that at the total Scheme level, the expected level of risk is consistent with the level of return required to meet the objectives.</i></p> <p><u>DC Section</u> <i>The Trustee's policy is to make available a range of funds which they believe provide appropriate strategic choices for members' different saving objectives, risk profiles and time horizons. Members themselves determine the fund(s) in which they choose to invest. In addition, members have the option of having their funds invested in a range of target dated strategies where members' funds are invested in higher risk type funds such as equities when members are younger and as the member nears their retirement age are switched to funds designed to match how members wish to take their</i></p>	<p><u>DB Section</u> The Scheme's DB investment strategy is reviewed as and when required. Given the illiquid nature of the annuity contract the scope for any changes to the strategy is limited.</p> <p><u>DC Section</u> No changes were made to the default strategy or fund range in the DC Section over the Scheme year and the kinds of investments held in the Scheme remain consistent with the SIP.</p>

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		<i>benefits (annuity income, drawdown or cash). Members who do not indicate a preference are invested in the default option.</i>	
4	Risks, including the ways in which risks are to be measured and managed	<p><u>DB Section</u> <i>There are various risks to which any pension scheme is exposed, which the Trustee believes may be financially material to the Scheme. These include liability mismatch risk, lack of diversification and manager underperformance.</i></p> <p><i>The Trustee's policy on the Scheme's key risks are outlined in section 2.2 of the SIP. Should there be a material change in the Scheme's circumstances, the Trustee will review whether and to what extent the investment arrangements should be altered; in particular whether the current risk profile remains appropriate.</i></p> <p><u>DC Section</u> <i>The Trustee's policy on the Scheme's key risks is outlined in section 2.2 of the DC section SIP.</i></p>	<p>As detailed in the risk section in the SIP, the Trustee considers both quantitative and qualitative measures of risks when deciding investment policies, strategic asset allocation and the choice of fund managers / funds / asset classes.</p> <p><u>DB Section</u> In 2022, the Trustee entered into a bulk annuity contract issued by Aviva which the Trustee believes addresses all of the remaining investment risks within the Scheme. The Trustee is cognisant of the risk in meeting any residual true-up payment to Aviva and have adopted in a conservative approach by retaining residual assets within the LGIM Sterling Liquidity Fund.</p> <p><u>DC Section</u> The risks set out in the SIP are primarily reviewed as part of the investment strategy review undertaken at least triennially with the last review taking place in 2022. In addition, the Trustee reviewed market risk and currency risk on a quarterly basis during the year as part of their regular investment performance monitoring. These monitoring reports were provided by the Scheme's investment consultant.</p> <p>The next strategy review will take place in 2025.</p>
5	Expected return on investments	<p><u>DB Section</u> <i>The Scheme's investment strategy has been structured to ensure that the future benefits payable from the Scheme prior to buy-out will be funded by the bulk annuity policy.</i></p> <p><u>DC Section</u> <i>The Trustee's policy in relation to expected return is that each fund used in the Scheme has an associated</i></p>	<p><u>DB Section</u> As the Trustee has entered into the bulk annuity contract with Aviva, the performance of the Scheme's DB section is no longer actively monitored by the Trustee, with no expected return being targeted for the residual Scheme's assets held in the LGIM Sterling Liquidity Fund.</p> <p><u>DC Section</u> The investment performance reports for the DC Section were reviewed by the Trustee on a quarterly basis during the Scheme year – this included performance information on the</p>

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		<p><i>benchmark or target return which the Trustee views as the expected return.</i></p>	<p>default strategy and self-select investment choices. The investment performance report included details on how each investment manager is delivering against their specific targets or benchmarks.</p> <p>The current default arrangement was reviewed against other provider defaults available across the market in Q1 2024. The provider default report reviews each arrangement based on asset allocation, performance and risk.</p> <p>The investment performance report produced by the Investment Consultant relies on data being received from Aegon regarding fund and benchmark performance. In Q2 2024, Aegon updated their system for collecting benchmark data for the Aegon BlackRock LifePath strategy and were unable to provide benchmark data for that quarter.</p> <p>In Q3 2024, Aegon subsequently identified an issue on their reporting system meaning benchmark information was not available for the remainder of the Scheme Year. Aegon have confirmed that this issue is expected to be resolved by the end of Q2 2025.</p> <p>This issue does not impact the self-select funds' benchmark reporting which was included in the quarterly monitoring report provided by the Investment Consultant.</p> <p>A formal strategy review will take place in 2025 to review the current default strategy which will consider expected return and member outcomes.</p>
6	Realisation of investments	<p><u><i>DB Section</i></u> <i>The Trustee considers the liquidity of the residual investments to ensure assets are realisable when required (i.e. to meet any additional cashflow requirements).</i></p> <p><u><i>DC Section</i></u> <i>The assets are invested in daily traded pooled funds which hold highly liquid assets. The pooled funds are commingled investment vehicles which are managed by underlying fund managers. The selection, retention and realisation of assets within the pooled</i></p>	<p><u><i>DB Section</i></u> The LGIM Sterling Liquidity Fund is a weekly-dealt pooled investment vehicle, which the Trustee believes is readily realisable. The annuity contract with Aviva is illiquid and not realisable, however the Trustee believes this to be appropriate as a means of achieving the overall investment objective given it will match the members entitlements as they fall due.</p> <p><u><i>DC Section</i></u> There were no known liquidity issues with the Scheme's funds. All assets are invested in daily-dealt pooled investment arrangements.</p>

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		<i>funds are delegated to the fund manager in line with the mandate AEGON have in place. The investment manager has responsibility for buying and selling the underlying assets.</i>	
7	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments	<p><u>DB Section</u> <i>The Trustee considers financially material considerations in the selection, retention and realisation of investments. Within the funds consideration of such factors, including environmental, social and governance factors, is delegated to the investment manager.</i></p> <p><i>Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights (where applicable) and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.</i></p> <p><u>DC Section</u> <i>The risks identified in section 2.2 and 2.4 of the SIP are considered by the Trustee to be 'financially material considerations'. The Trustee believes the appropriate time horizon for which to assess these considerations within should be viewed at a member level. This will be dependent on the member's age and their selected retirement age. It is for this reason that a number of lifestyle options have been made available to members.</i></p>	<p>The Scheme's SIP includes the Trustee's policy on Environmental, Social and Governance ('ESG') factors, stewardship and climate change. This policy sets out the Trustee's beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship</p> <p>The investment performance report of the DC section is reviewed by the Trustee on a quarterly basis – this includes ratings (both general and specific ratings for environmental, social and governance factors) from the investment consultant.</p> <p>The Trustee acknowledges that managers in fixed income may not have a high ESG rating assigned by the investment consultant due to the nature of the asset class where it is harder to engage with the issuer of debt.</p> <p>Where the asset manager may not be highly rated from an ESG perspective, the Trustee will monitor the rating and any developments using the reports from their investment consultant. When implementing a new manager the Trustee considers the ESG rating of the manager, although it may not always be possible to appoint a manager with a high ESG rating).</p> <p><u>DB Section</u> As the Trustee has entered into the bulk annuity contract with Aviva for the majority of the DB Sections assets, the Trustee is comfortable that any residual financially material factors have been considered and are managed appropriately.</p> <p><u>DC Section</u> Market risk and currency risk were considered by the Investment Consultant, as part of reviewing investment performance at Trustee meetings. A more strategically focused assessment of the investment arrangements (covering the remainder of risks identified in</p>

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			<p>the SIP) informed part of investment strategy review undertaken in 2022. The next strategy review will take place in 2025.</p> <p>Items 9 and 10 that follow cover the Trustee's policies on ESG factors and voting and engagement. It should be noted the Trustee invests in pooled investment funds and recognises it has limited scope to influence day-to-day investment decisions. However, the Trustee regularly monitors ESG developments in the solution and this is covered in more detail during the triennial investment strategy review, with the next taking place in 2025.</p>
8	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	<p><u>DC Section</u></p> <p><i>Member views are not taken into account in the selection, retention and realisation of investments in the default investment option.</i></p>	<p><u>DC Section</u></p> <p>The Trustee meets with the investment managers at Trustee meetings as required and may challenge decisions made including voting history (in respect of equities) and engagement activity. BlackRock attended a Trustee meeting in Q1 2024. They presented on the BlackRock LifePath Strategy, including asset allocations at scheme joining, mid-career and near retirement, performance by age cohort, and volatility over a number of time periods.</p> <p>No changes during the year to this policy. Members' views are not taken into account in the selection, retention and realisation of Investments.</p>
9	The exercise of the rights (including voting rights) attaching to the investments	<p><i>Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.</i></p>	<p>For both the DB and DC Sections of the Scheme, the Trustee delegates all voting and engagement activities to their investment managers. When required, the Trustee will question managers' voting decisions if they deem them out of line with the investment fund's objectives or the objectives / policies of the Scheme.</p> <p><u>DB Section</u></p> <p>There are no voting rights associated with the Scheme's residual investment, which was held in the LGIM Sterling Liquidity Fund over the Scheme year or with the bulk annuity contract with Aviva. Therefore, the Trustee does not consider this to be a material consideration for the Scheme given there is no scope to exercise voting rights.</p> <p><u>DC Section</u></p> <p>As the Scheme invests in pooled funds, the Trustee requires the investment manager to engage with the investee companies on their behalf.</p>

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			<p>At present, the investment consultant's ESG ratings help the Trustee to understand how the manager is engaging and integrating ESG issues into their investment decision-making in each fund and these are reviewed on a quarterly basis. The Trustee considers how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers. This will form part of the 2025 investment strategy review.</p> <p>The Trustee has requested key voting activities from the managers during the Scheme year in order to consider this, and the information received is summarised in the Voting and Engagement Policy Statement that follows.</p>
10	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustee would monitor and engage with relevant persons about relevant matters)	<p><i>The Trustee expects the Scheme's managers to take into account current best practice, including the UK Corporate Governance Code and the UK Stewardship Code, of which the Trustee is supportive.</i></p> <p><i>Outside of those exercised by investment managers on behalf of the Trustee, no other engagement activities are undertaken.</i></p>	<p>The Trustee monitors ongoing reporting from asset managers which included an overview of their ESG policy (including their policy on climate change), and their engagement process. The Trustee does not regularly meet with the investment manager but may choose to meet with the investment manager in future.</p> <p>The Scheme holds a bulk annuity contract and a single pooled cash fund. Given the investment arrangements, the Trustee recognises that they have low exposure to risks arising from long-term sustainability issues, including climate change.</p> <p>The Trustee will not consider the ESG policies of the investment manager of the cash fund or the AVC provider and associated investment funds as these are a small proportion of total assets.</p> <p>The investment consultant's ESG ratings help the Trustee to understand how the manager is engaging and integrating ESG issues into their investment decision making and these are reviewed on a quarterly basis.</p>
11	How the arrangement with the asset managers	<p><u>DB Section</u></p> <p><i>The Trustee's policy in relation to investments to be held is set out in section 3 of the SIP.</i></p>	<p><u>DB Section</u></p> <p>In the Scheme year no specific actions were taken with regard to incentivisation given the nature of the investments that are held.</p>

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	<p>incentivises the assets manager to align its investment strategy and decisions with the trustee policies mentioned in sub-paragraph (b) of the legislation [2-8 of this Statement]</p>	<p><i>In line with section 3 of the SIP, managers are chosen based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected for.</i></p> <p><i>As the Trustee invests the bulk of the Scheme's assets in pooled investment vehicles they accept that they have no ability to specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy.</i></p> <p><u>DC Section</u> <i>Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected for.</i></p> <p><i>The Trustee looks to the Investment consultant for their forward-looking assessment of a manager's ability to perform in line with their stated objectives. This view will be based on the consultant's assessment of the manager's idea generation, portfolio construction, implementation and business management, in relation to the particular investment fund that the Scheme invests in. The consultant's manager research ratings assist with due diligence and questioning managers during presentations to the Trustee and are used in decisions around selection, retention and realisation of manager appointments.</i></p>	<p><u>DC Section</u> The manager arrangements were formally assessed as part of the investment strategy review in 2022. The funds used are also assessed on an ongoing basis when concerns are identified. In addition, the Trustee monitored the performance of the investment managers on a quarterly basis during the year. The next strategy review will take place in 2025.</p>
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12	How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.	<p><u>DB Section</u> <i>The Trustee meets the Investment Managers as required to review their performance.</i></p> <p><i>Managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustee is dissatisfied, then they will look to replace the manager.</i></p> <p><u>DC Section</u> <i>Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected for.</i> <i>The Trustee looks to the investment consultant for their forward-looking assessment of a manager's ability to perform in line with their stated objectives. This view will be based on the consultant's assessment of the manager's idea generation, portfolio construction, implementation and business management, in relation to the particular investment fund that the Scheme invests in. The consultant's manager research ratings assist with due diligence and questioning managers during presentations to the Trustee and are used in decisions around selection, retention and realisation of manager appointments.</i></p>	<p><u>DB Section</u> In the year to 31 December 2024 the Trustee did not meet with its investment manager (LGIM) deeming this unnecessary due to size of the investment relative to the Buy-in completed in December 2022, noting that the holdings in the Sterling Liquidity Fund are residual in nature.</p> <p>Given the nature of the Scheme's investments within the DB Section, there is no medium to long-term targets for the Scheme's assets, and therefore longer-term performance incentives for investment managers is less relevant for this Section.</p> <p><u>DC Section</u> The SIP policy reflects current practice.</p> <p>The Trustee delegated all voting and engagement activities to the investment manager. The Trustee has considered the investment consultant's assessment of how each investment manager embeds ESG into its investment process as part of the quarterly performance monitoring.</p> <p>In addition, the Trustee has requested key voting activities from the Scheme's managers during the Scheme year, and the information received is summarised in Voting and Engagement Policy Statement that follows.</p>
13	How the method (and time horizon) of the evaluation of the asset	<p><u>DB Section</u> <i>The Trustee is a long-term investor and is not looking to change the investment arrangements on a</i></p>	<p><u>DB Section</u> Following completion of the sale of all invested assets (with the exception of a residual holding in the LGIM Sterling Liquidity Fund) in December 2022, the Trustee no longer receives quarterly performance reporting on the Scheme's assets from the Investment</p>

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	<p>manager's performance and the remuneration for asset management services are in line with the trustee's policies mentioned in sub-paragraph (b) of the legislation [2-8 of this Statement]</p>	<p><i>frequent basis apart from to conclude the full Buy-out of benefits as soon as practicable.</i></p> <p><u>DC Section</u> <i>The Trustee receives investment manager performance reports on a quarterly basis, which presents performance information over 3 months, 1 year, 3 year and since inception periods. The Trustee reviews the absolute performance, relative performance against a suitable index used as the benchmark, and against the manager's stated tracking error (over the relevant time period).</i></p> <p><i>If the manager is not meeting their investment objectives for the fund have changed, the Trustee may review the use of that fund including the annual management charge levied. As part of the annual Value for Money ("VfM") assessment, the Trustee reviews member borne fees, which include investment manager fees.</i></p>	<p>Consultant and does not consider monitoring of the performance of the Scheme's invested assets to be a material consideration for the DB Section of the Scheme. Performance measurement is available upon request from the Scheme's investment manager and may be reviewed from time-to-time.</p> <p><u>DC Section</u> The Trustee monitored the performance of the investment managers on a quarterly basis during the Scheme year. If the manager is not meeting their investment objectives for the fund, the Trustee may review the use of that fund including the annual management charge levied. As discussed earlier in this statement, there were some issues with benchmark and target information not being provided by Aegon. The Investment Consultant is working with Aegon to get this resolved, which is expected for Q2 2025. A detailed review of performance will also take place as part of the 2025 strategy review.</p> <p>As part of the annual Value for Members ("VfM") assessment, the Trustee reviews member borne fees, which include investment manager fees. A VfM assessment was produced in May 2025 and the Trustee concluded that, overall, the Scheme was providing good value for members.</p>
14	<p>How the trustee monitors portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.</p>	<p><u>DC Section</u> <i>The Trustee considers portfolio turnover costs as part of the annual value for money assessment.</i></p>	<p><u>DC Section</u> The Trustee has considered portfolio turnover costs through consideration of transaction cost data as part of the annual VfM assessment. The ability to assess the appropriateness of these costs is currently limited by the availability of data and the lack of industry-wide benchmarks. The Trustee will monitor industry developments in how to assess these costs and incorporate this in future VfM assessments.</p>

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15	The duration of the arrangement with the asset manager	<p><u>DB Section</u> <i>The Fund invested in is an open-ended fund and therefore there is no set duration for the manager appointment. However, the appointment is regularly reviewed as to its continued suitability and could be terminated either because the Trustee are dissatisfied with the managers' ongoing ability to deliver the mandate promised or because of a change of investment strategy by the Trustee.</i></p> <p><u>DC Section</u> <i>The Trustee is a long-term investor and is not looking to change the investment arrangements on a frequent basis.</i></p>	<p><u>DB Section</u> There were no changes during the period.</p> <p><u>DC Section</u> There are no set durations for manager appointments and the Trustee will continue to monitor the investment arrangements on an ongoing basis.</p>
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Voting and Engagement Policy Statement

DB Section

The majority of DB Scheme assets are invested through the purchase of the bulk annuity policy with Aviva, which have no voting rights attached, the control of corporate governance issues have been ceded by the Scheme to Aviva.

DC Section

Section 4 of the SIP sets out the Trustee's policy on ESG factors, stewardship and climate change. This policy sets out the Trustee's beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship.

There were no material changes to the beliefs or the policies in relation to ESG during the Scheme year covered by this statement.

Voting Activity during the Scheme year

The Trustee has delegated their voting rights to the investment managers. The SIP states *"The Trustee has given the Investment Managers full discretion when evaluating ESG factors, including climate change consideration and in exercising rights and stewardship obligations attached to the Scheme's investments, including undertaking engagement activities, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code"*.

It is the Trustee's view that the policy has been followed during the Scheme year.

Over the prior 12 months, the Trustee has not actively challenged the manager on its voting activity. The Trustee does not use the direct services of a proxy voter.

The majority of voting activity will arise in public equity funds, although voting opportunities may arise in other asset classes such as private equity and multi-asset funds. However, the Trustee has only received information relating to public equity funds this Scheme year. The assets of the Scheme are invested via the Aegon platform with all underlying funds managed by BlackRock and LGIM.

A "Significant Vote" is defined, by the Trustee as one that relates to the Trustee's following key stewardship priorities:

- **Environmental (E):** Climate change related
- **Social (S):** Human rights: modern slavery, pay (minimum/living wage etc.) & safety in workforce and supply chains.
- **Governance:** Diversity, Equity and Inclusion (DEI) - inclusive & diverse decision making, executive remuneration and board composition

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These areas have been selected by the Trustee as it believes them to be the most financially material in terms of both risk and opportunity and/or carry most reputational risk and, as a result, areas of focus that are in members' best interests. Although, the Trustee has not made the investment managers' aware of their stewardship priorities, they note that these priorities are broadly aligned with the areas the Scheme's investment managers are currently focusing on in terms of voting and engagement.

In order to keep the disclosures manageable, the Trustee also agreed to focus on the LifePath Flexi funds (forms part of the default option). The top 5 holdings of the LifePath Flexi funds relating to the key stewardship priorities have been included in

Blackrock ACS World ex UK Equity Fund

Engagement Example: Tesla, Ratify Performance Based Stock Options to Elon Musk (FOR)

BlackRock supported the CEO Performance Award in 2018 based on their assessment that the market cap and operational metrics were sufficiently challenging and encouraged stretch performance. Though they have concerns regarding the structure and magnitude of the award, BlackRock recognizes that Mr. Musk and Tesla have achieved all the relevant performance milestones, growing the company from approximately \$59 billion in market cap at the time of the 2018 award to \$789 billion in market cap at the end of 2023. 13 Accordingly, it was in the financial interests of their clients to support the ratification of Mr. Musk's 2018 Performance Award at the June 2024 AGM. However, BlackRock intends to provide feedback regarding go-forward executive compensation practices. Their support for this proposal should not be taken as a general endorsement of this style of award. BlackRock would be unlikely to support a compensation program with similar structures at mature operating companies in sectors where these practices have not traditionally been employed.

LGIM Future World Global Equity Index Fund

Engagement Example: McDonald's, Antimicrobial resistance shareholder resolution

LGIM co-filed a shareholder resolution at the company in 2023, under the umbrella of the Shareholder Commons, asking McDonald's to comply with World Health Organization (WHO) guidelines on the use of medically-important antimicrobials in food-producing animals throughout its supply chain. The resolution sought adherence to the WHO guidelines throughout the full supply chain, including beef, chicken and pork. This resolution gained 18% support from shareholders. Following a lack of action by McDonald's, LGIM co-filed the same resolution in their 2024 AGM, together with their industry peer Amundi and The Shareholder Commons. However, LGIM's 2024 resolution was subject to a 'no-action' ruling by the SEC, a mechanism by which the company is allowed to unilaterally remove proposals from its proxy statement if they are judged to have already substantially implemented the resolution demand. We were disappointed by both the step taken and the decision announced, as we believe that McDonald's should be adhering to the WHO Guidelines on use of antibiotics across all the meat that they produce, not just certain types of meat. LGIM have broadened their collaborative engagement by joining FAIRR's collaborative investor engagement on Antibiotic Use in the Quick-Service Restaurant Sector in North America. This engagement stream covers fast-food restaurant companies, including McDonald's, Yum! Brands* (owner of KFC and Pizza Hut), and Restaurant Brands International* (owner of Burger King). By working with like-minded peers and stakeholders, they aim to broaden their engagement

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on the issue of antimicrobial resistance with companies that, LGIM believe, could have a substantial effect in mitigating AMR by changing their supply chain practices. LGIM will continue to exercise their votes on AMR-related shareholder resolutions in line with their Health Policy.

Use of Proxy Voting Services by the Managers

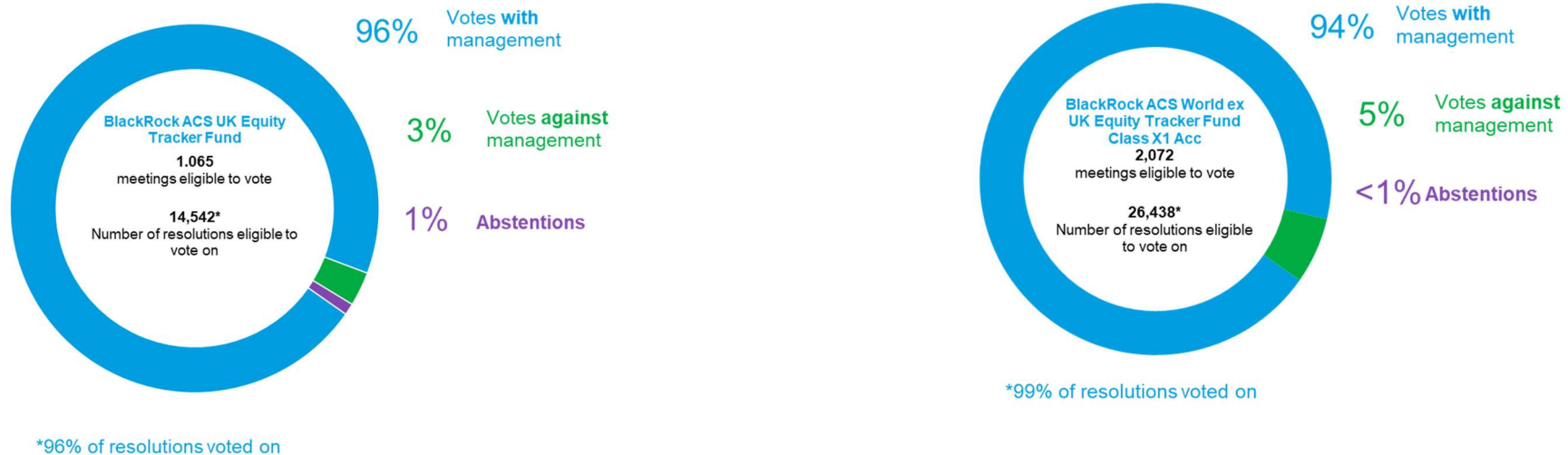
Manager	Use of proxy voting
BlackRock	<p>BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") - located in seven offices around the world. 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.</p> <p>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.</p> <p>In summary, proxy research firms help us deploy our resources to greatest effect in meeting client expectations</p> <ul style="list-style-type: none"> • BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty to and 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

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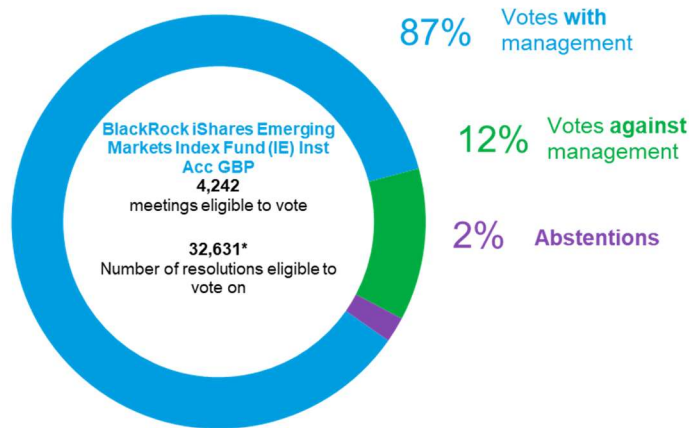
	<ul style="list-style-type: none"> We also work with proxy research firms, which apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision The proxy 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.
LGIM	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. 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. For more details, please refer to the Voting Policies section of this document.

Source: Investment Manager

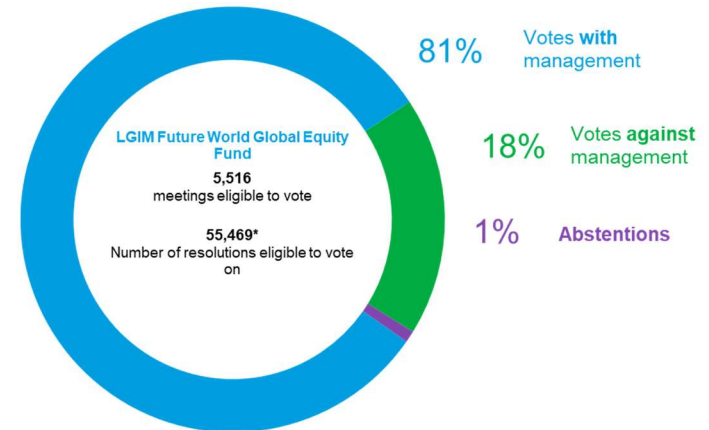
Overview of voting activity, on behalf of the Trustee, for the Scheme funds containing equity for the 12 months to 31 December 2024



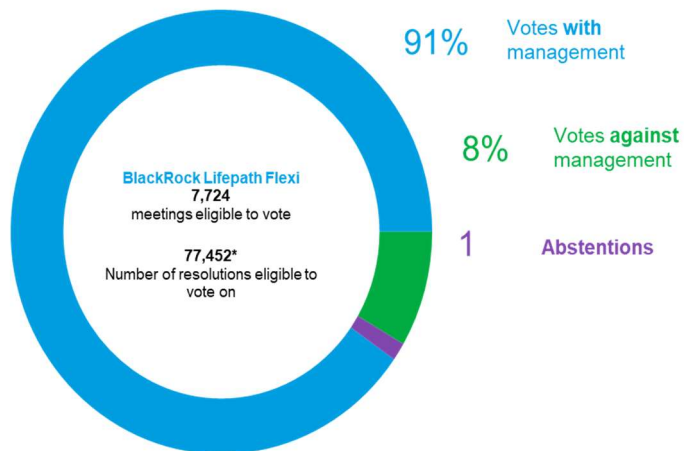
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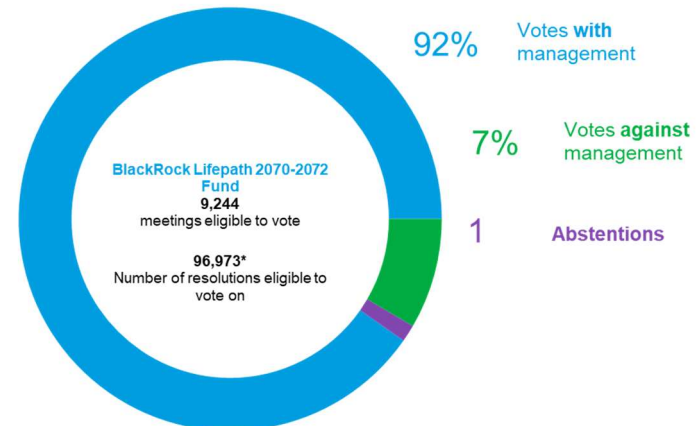
*98% of resolutions voted on



*100% of resolutions voted on

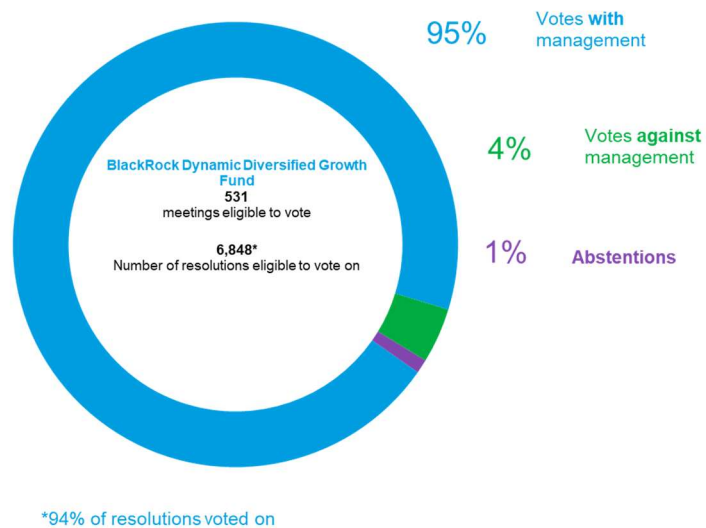


*96% of resolutions voted on



*96% of resolutions voted on

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Source: Investment Managers, AEGON. Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management. Totals also may not total to 100% due to rounding.

As a representative of the Lifepath funds range, the voting activity of the fund within the growth phase of the LifePath where it is primarily invested in equities is shown. The growth phase is approximately 35+ years before retirement date so the Lifepath 2070-2072 Fund was selected. All LifePaths have the exact same equity holding during the de-risking phase, therefore the voting activity shown for the growth phase is applicable for all LifePath glidepaths.

Statistics for votes with and against management and abstentions are a percentage of resolutions voted on.

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Significant votes undertaken by BlackRock to the equity holdings for the 12 months to 31 December 2024.

A "Significant Vote" is defined as one that is related to the Scheme's beliefs and stewardship priorities ('Climate change related', 'Human rights: modern slavery, pay (minimum/living wage etc.) and safety in workforce and supply chains' and 'Diversity, Equity and Inclusion (DEI) - inclusive & diverse decision making, executive remuneration and board composition') and in relation to the funds that compose the Scheme's default option. The table below shows companies that comprise the top 5 largest holdings within the Blackrock Lifepath Flexi funds as well as have votes relating to the aforementioned stewardship priorities.

Fund	Portion of the fund (%)	Company	Date of vote	Resolution	How the Manager voted	Rationale of Manager vote	Final outcome following the vote	Significant Vote Theme
BlackRock Lifepath Flexi	0.8%	Amazon.com, Inc.	22/05/2024	Report on Efforts to Reduce Plastic Use	Against	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.	✗	Climate Change
	0.3%	Tesla, Inc.	13/06/2024	Report on Harassment and Discrimination Prevention Efforts	For	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures	✗	Diversity, Equity and Inclusion
	0.2%	Exxon Mobil Corporation	29/05/2024	Report on Reduced Plastics Demand Impact on Financial Assumptions	Against	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures	✗	Climate Change
	0.2%	Chevron Corporation	29/05/2024	Report on Reduced Plastics Demand Impact on Financial Assumptions	Against	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures	✗	Climate Change
	0.1%	Shell Plc	21/05/2024	Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	Against	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company	✗	Climate Change

Source: Aegon, BlackRock.

As a representative of the Lifepath funds range, the significant votes of the fund within the growth phase of the LifePath where it is primarily invested in equities have been shown.

The Lifepath Flexi Fund was used as example of representation of the default strategy.

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Next Steps: *BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. Our Global Principles describe our philosophy on stewardship, including how we monitor and engage with companies. These high-level principles are the framework for our more detailed, market-specific voting guidelines. We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.*

Policy for disclosing votes: *BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. BlackRock publish their voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which BlackRock assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock apply their guidelines pragmatically, taking into account a company's unique circumstances where relevant. BlackRock's voting decisions reflect their analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and their active investment colleagues.*

BlackRock's market-specific voting guidelines are available on our website at <https://www.blackrock.com/corporate/about-us/investment-stewardship#principles-and-guidelines>