



富達國際與台灣機構投資人盡職治理守則

富達國際(「富達」)支持台灣機構投資人盡職治理守則。富達證券投資信託股份有限公司(「富達投信」)的主要業務是管理及募集證券投資信託基金、全權委託投資管理及其他經主管機關核准之業務，並作為資產管理公司。富達投信特此聲明遵守「機構投資人盡職治理守則」。本聲明以及富達的永續投資政策共同揭露我們對每項原則的態度。下文詳細介紹遵守六項原則的情況。

富達投信是富達國際公司集團的成員，本文之「富達」是指獨立的私有公司集團，組成全球投資管理組織，在美國以外之指定管轄地提供產品和服務。

概述

在做成投資決定和履行我們的受託人義務時，我們會考慮相關利害關係人的整體利益。我們持續監控被投資公司的營運，並透過出席或參加股東會、行使表決權和與公司管理階層交流來參與強化其公司治理。

我們考慮被投資公司的永續發展，並考慮其在環境、社會和治理(「ESG」)方面的風險和績效。我們已將 ESG 考慮因素納入我們的投資決策過程，並與被投資公司保持具有建設性的對話和互動。我們的盡職治理活動含括我們代表客戶管理的不同資產類別，包括股票、固定收益和不動產。我們力求促進公司的永續發展，並相信這能促進我們客戶的長遠利益，並對社會產生正面的影響。

原則 1

制定並揭露盡職治理政策

我們的盡職治理政策考慮到我們在投資鏈中的地位、業務性質以及我們如何尋求保護客戶和受益人的權利和投資。我們透過投資組合管理決策、在股東常會上對決議進行表決以及與被投資公司或潛在被投資公司的管理階層保持持續對話來推行積極的投資政策。我們的首要目標是為客戶締造投資績效，為此，我們尋求對所投資公司在各方面的長期瞭解。

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我們將環境、社會和公司治理(「ESG」)因素整合到我們的投資決策過程中，以促使創造長期股東價值，同時也有助於支持我們的盡職治理責任。我們相信，高標準的企業責任通常會產生良好的商業理念，並具有保障和提高投資報酬的潛力。當我們認為 ESG 議題對投資風險或報酬有重大影響時，我們的投資流程會將其納入考慮。我們致力於透過我們的內部研究流程瞭解適用於我們投資的相關議題，並找出可能潛在威脅我們投資價值的問題。我們的整合措施適用於我們投資的所有資產類別、產業和市場。

股票、固定收益、多重資產和不動產團隊的分析師會進行 ESG 分析，我們的投資組合經理人在做出投資決策時，也會主動分析這些因素的潛在影響。我們還設有專業的內部永續投資團隊，負責協調富達的永續投資方法並執行我們的投票政策。我們使用外部資源(包括 ESG 評等資料)來補充內部分析，並訂閱多個 ESG 研究服務。永續投資團隊也向投資團隊提供與 ESG 相關主題的季報和警示，以及專題式 ESG 分析。

我們採取主動參與的方式，藉此與我們所投資或考慮代表客戶投資之公司的管理階層討論問題。我們使用在該等會面期間蒐集的資訊為我們的投資決策提供資訊，並鼓勵公司管理階層改善程序和政策。我們認為這是改善企業看待企業責任和永續商業慣例態度最有效的方法。

我們的盡職治理政策含括並討論我們作為企業處理這些問題的方法，以及我們對客戶的職責和責任的重要性和關注重點。我們的政策也概述許多盡職治理的實務和活動，其中包括：監控被投資公司的頻率和方法；與管理階層的互動；參加股東會和投票；將盡職治理活動委外的現狀和管理措施；揭露有關我們履行盡職調查內容的方式和頻率。

富達的盡職治理政策含括在我們的永續投資政策中，且我們最新的年度永續報告(可參見我們的網站)也強調關鍵盡職治理活動。

原則 2

制定並揭露利益衝突管理政策

富達是一家私有的多類型資產管理公司，已建立用於管理利益衝突的明文政策，旨在確保適當管理富達與其客戶之間或不同類型客戶之間的利益衝突。

富達的利益衝突政策規定富達及其子公司從事受監管業務的義務，以維持和經營有效的組織和行政安排，以便採取一切合理措施以防止利益衝突構成或引起

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損害其客戶利益的重大風險。其適用於所查覺到的以及實際的衝突。當富達為受託人時，富達對其客戶負有責任，不會將其本身置於其自身利益導致其對客戶所負義務出現無法調和之衝突之情境，或其對某一客戶之義務導致其對另一位所負義務出現無法調和之衝突之情境。富達也負擔監管義務，在自身與其客戶之間以及不同客戶之間公平管理利益衝突。為此，富達將識別、記錄、管理並依規定揭露實際或潛在的利益衝突，並制定與利益衝突相關的政策。

衝突可以透過各種方式被辨別，包括定期與業務主管面談、意識理解度培訓和內部檢視。已建立治理架構以確保有效執行利益衝突政策，且衝突監督論壇每季召開會議檢視上一季所發生涉及重大衝突的任何問題。這些問題包括任何新發現的衝突、任何違反政策的行為以及任何其他相關的監管事項。另設有衝突登記冊以確保已查明、處理和記錄重大衝突。所有員工都必須遵守利益衝突政策、行為準則和相關政策，並且意識到客戶的利益必須始終先於富達或其員工的利益。

有關盡職治理可能發生利益衝突的情況包括下列例子：

1) 投資

在富達內，有些公司為投資目的將本金投資於股票及/或債券，而富達也可能為我們的客戶投資於該標的。在取得和處分證券、投票和使用研究的過程中可能發生潛在的衝突。為管理這些潛在的衝突，有關富達投資組合的決策獨立於支援我們客戶資金和帳戶的投資管理流程。富達已制定政策和程序以確保正確遵守這些原則。富達基金或帳戶也可能擁有客戶發行的證券，但在所有情況下，富達的投資決策都將以我們認為係屬相關基金或帳戶的最大利益為指導原則。

2) 交易分配

在進行客戶的證券交易時，富達將以客戶之整體最大利益合併下訂。如因流動性不足導致下單僅能部分成交，則該等證券將分配給參與該宗交易的所有客戶，且某一客戶可能會獲得比另一位客戶更有利的分配。為了管理這種潛在衝突，富達建立了交易檯政策，可確保一致和公平地適用交易分配。分配是根據下單的交易量按比例進行，系統分配演算法自動應用於每筆交易，但須接受三道監督，亦即交易檯主管、法令遵循和內部稽核/風險。

3) 投票

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如果基金持有涉及多方交易主體的投資，我們將始終為該特定基金的利益行事，如與富達自身利益發生衝突，我們將依照我們主要第三方研究提供者的建議進行投票，或者如果沒有建議，我們將棄權或不投票。除非經客戶明確指示，否則我們不會在任何富達基金的股東會上投票。

原則 3

持續關注被投資公司

我們定期監控我們的被投資公司和潛在被投資公司，並持續評估相關資訊對它們的長期價值和對我們客戶的影響。此檢視有助於我們與這些公司進行對話和互動，也是未來投資決策的參考基準。我們根據投資目標、成本和收益等各種因素和標準，決定對被投資公司進行監控的內容、範圍和頻率。我們也考慮包括機會和風險、ESG 議題和影響在內之資訊。

富達透過投資組合管理決策、在股東常會上對決議進行表決以及與被投資公司或潛在被投資公司的管理階層保持持續對話來推行積極的投資政策。我們的首要目標是為客戶締造投資績效，為此，我們尋求對所投資公司在各方面的長期瞭解。初步投資時所進行的深入分析持續貫穿投資本身的生命週期及其未來。富達的投資分析師是我們與公司溝通的渠道，他們對潛在投資進行廣泛的量化和質化分析。投資組合經理人和分析師每年至少與被投資公司進行兩次正式會議，會議側重於長期績效的驅動因素，惟為讓我們確認長期投資理論仍然穩固，短期問題亦屬重要。除了財務和策略性事項外，討論內容也會含括廣泛的投資相關主題，包括但不限於公司治理及企業永續性。

會議也輔之以非正式的聯繫，例如實地拜訪和臨時電話討論，也鼓勵研究分析師在其所選擇的研究範疇價值鏈中廣泛了解產業專家。研究可能直接或通過中介網絡進行，含括客戶、供應商、競爭對手、外部產業專家、賣方投資分析師和其他股東。投資分析師負責編製我們公司大部分的研究，對於一些我們較大的持股部位，這項研究會輔以資深投資專業人士出具深入的盡職調查報告作為補充。除了內部編製之研究報告外，我們也會不時委託外部機構進行專項研究。

我們相信，當我們越了解被投資公司時，我們越能讓他們負責執行其策略，因此，我們每週、每月和每季進行多次的內部檢視，目的在彙集有關我們被投資公司的知識，並辨識出應注意的機會和事項。個別投資組合亦須每季接受資深管理階層的深度檢視，並審視有關基金的各個面向，包括風險概況、波動性、績效及基金定位，以及基金的個別投資。

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如有引起關注的特殊議題，或當我們想要更廣泛了解公司業務時，我們通常會尋求與董事長及/或獨立董事會面。這種性質的會議沒有自動週期，而是在認為需要會面時舉行。與董事長及/或獨立董事會議幾乎總會有資深投資組合經理人以及投資分析師和永續投資團隊的代表參與。除了檢視策略外，董事會的良好運作是一個關鍵重點，討論內容通常也會含括董事會效能、平衡和繼任規劃等事項。這些會議有時後是一次性的，但在其他情況下，我們會定期與特定董事長及/或獨立董事舉行會議，直到討論的問題獲得圓滿解決。

永續投資團隊也會自行與公司舉辦會議和電話討論，其討論內容主要側重於公司治理，如董事會獨立性和薪酬，以及更廣泛的 ESG 相關主題。我們鼓勵富達的投資分析師參與這些討論，以確保投資和永續投資團隊可提供公司綜合資訊。

總而言之，我們整合並使用 ESG 因素來監控、分析和評估我們的被投資公司和潛在被投資公司的相關風險和機會。我們力求充分瞭解被投資公司的永續發展策略。我們的投資分析包括詳細檢視 ESG 事項，並支援我們的投資決策過程。

原則 4

適當與被投資公司保持對話及互動

我們認為與被投資公司保持適當的對話和互動至關重要，以便更瞭解其管理階層對重大議題的看法，並獲得相互反饋，從而可能強化其公司治理和永續商業實踐。

在決定與被投資公司進行交流的範圍和期間時，我們考慮投資的目的、成本和收益以及特定問題的重大性。我們與公司的交流可以透過許多不同的形式進行。與管理階層或其他利害關係人的交流可以是書面或口頭溝通。在其他情況下，我們可能會透過公開聲明或文章來傳達我們對某一議題的看法。我們也會利用被投資公司的股東會作為表達我們觀點的管道，最常見的方式是依照我們的投票政策進行投票。

作為一般性政策，我們的目標是支持被投資公司的管理階層，但我們與公司進行有力的交流，且我們會建立對企業策略和治理的自有觀點。有時，我們的觀點可能會與管理階層或董事會的觀點不同，這可能會使我們的參與度提升。在提升參與度前所考慮的因素包括評估爭議事項的重要性、我們的持股規模、投資理論的時間框架以及有關企業的所有權概況。當我們注意到董事之間出現分歧時，也可能提升參與度。我們的具體反應都是視個案情況而定，且在某些情

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況下我們會選擇出售持股。當認為提升參與度是適當時，我們的第一步通常是與其他大股東聯繫，以確認他們是否同意我們的觀點或疑慮。在進行對話之後，我們將與公司的顧問及/或獨立董事交流並進一步交換意見。我們強烈傾向於以雙方一致同意和保密的方式達到我們的目標，但當與公司的分歧仍然存在時，我們可能會考慮與其他股東共同參與，以及以更多公開的方式表達異議，但作為一般性政策，我們並不贊成利用媒體來幫助達成我們的目標。

在需要就特定議題採取行動時，在法律允許的情況下，我們可能會與其他機構投資人共同採取行動，以保護客戶的權益，並支持被投資公司的永續發展。我們與廣泛的投資人以及其他公司利害關係人保持密切的關係。決定是否加入集體參與的相關因素包括其他主要投資人的身份、投資的相對規模以及確定是否有必要採取集體的方式才能獲得令人滿意的結果。如果與公司的分歧仍未能解決，我們可能會在股東常會上投票反對董事會，甚至要求召開股東臨時會讓所有投資人均可就爭議事項進行表決。

我們參與特定 ESG 議題的倡議組織，共同擴大和促進地方上和國際上就該等領域方面的改善。我們也透過在各種論壇的成員身分，參與制定永續投資的適當標準的討論。富達的永續投資團隊是眾多外部 ESG 相關組織的成員或參與者。這些組織包括地方上的投資協會、國際公司治理網絡(ICGN)和亞洲公司治理協會(ACGA)。富達是《聯合國負責任投資原則》(UNPRI)的簽署國。我們也是世界各地許多貿易和產業機構的成員。我們定期與當地監管機構就可能影響被投資公司的事項進行交流。交流方式可能是直接對話、回應公眾諮詢請求或其他諮詢論壇。

我們非常重視我們在盡職治理活動上的參與方式。我們持續專注在我們企圖對被投資公司造成的變化，包括具體的里程碑和重大成果，並決定後續的參與行動，這也有助於我們的投資決策過程。

原則 5

建立並揭露明確投票政策與投票情形

我們已制定投票政策，詳細闡述我們對關鍵事項的看法和意見，目的是支援在被投資公司的股東會上對每項提案行使表決權。關於對我們客戶的權益有重大影響的動議，我們會審慎行使我們所管理證券的表決權。

富達擁有專業的內部永續投資團隊，負責協調我們對 ESG 採納的措施，並執行我們的投票政策。我們的投票指引會定期更新，可參見我們的網站。從各種來

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源取得支持我們投票流程的資訊，包括公司提供的資料、代理投票治理研究服務及內部研究。亦可能與被投資公司本身進行討論。

我們的投票政策考慮到客戶和被投資公司的長期共同利益。我們會檢視被投資公司股東會上的各項議案，並始終按照我們聲明的投票政策和指令進行投票。

我們的投票政策概述我們行使表決權的方法，以及評估不同類型的提案，包括我們一般不會支持的提案。我們將盡可能就所有股票證券進行投票表決。在某些特殊情況下，當我們認為成本大於相關利益，我們可能決定不進行投票。我們亦會考慮有關被投資公司的特殊情況，以及當地市場主流的最佳做法。所有投票均由我們的永續投資團隊管理，並按照我們的永續投資方法和代理投票指引進行投票。

我們訂閱許多代理投票治理研究服務，包括：機構股東服務和 Glass Lewis。我們與投票代理人訂有一套客制化的指引，但所有投票都是按照我們的政策進行，並在適當時先諮詢相關投資組合經理人。我們將盡可能就所有股票證券進行投票表決，但也會考慮監管義務和例外情況，例如當投票的預期成本大於預期利益時。我們也會考慮有關被投資公司的特殊情況，以及當地市場主流的最佳做法。

我們鼓勵董事會事先與投資人諮詢，而不是冒然在股東常會上提出可能被否決的決議。根據我們的投資規模，當我們的觀點與董事會的觀點不同時，我們將致力於儘早與董事會交流以嘗試化解分歧。如無法成功化解分歧，且我們決定對某一公司的投票棄權或投反對票時，對於所有我們較大比例的持股，我們通常會確保管理階層瞭解我們反對的原因。當我們沒有足夠的資訊來形成自身的觀點，且在不允許我們投票的受限情況下，我們會棄權，但在某些市場，當我們希望向公司傳達警告訊息時，我們也會棄權。我們的指導原則是，應始終以投資人的最佳利益行使表決權。

我們的一般政策是不出席股東常會，但如情況需要，我們偶爾也會親自投票，並可能另外發表聲明解釋我們的立場。在特殊情況下，我們也可能在股東常會上提出決議交由股東表決。

我們根據我們的政策擷取、分析和記錄我們的投票活動。我們揭露我們的投票政策、指引和投票結果。我們揭露與我們投票活動相關的彙整資訊。我們可能會在認為必要和可行時揭露我們對被投資公司投票的理由。我們在網站上揭露我們過去 12 個月的投票紀錄，並每季更新該等資訊。

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原則 6

定期揭露履行盡職治理之情形

富達了解並記錄其盡職治理活動，這有助於我們評估和改善我們的盡職治理政策、其實施和行動以及揭露。我們定期檢視我們的盡職治理政策、利益衝突政策、投票政策以及履行我們盡職治理職責的狀態。此外，我們評估我們盡職治理活動的效益，該檢視也有助於我們後續的關注領域、流程和實踐。

我們定期向我們的客戶揭露盡職治理活動，並希望確保相關資訊是可便利取得且清楚易懂的。我們每年在我們的網站上發布永續投資政策和盡職治理報告、我們的永續報告以及其他政策文件和聲明。其中包括我們關於「機構投資人盡職治理守則」的聲明，以及對未遵守特定原則(如適用)的解釋。這些文件包括有關公司內部資源和實施盡職治理的組織結構之資訊。我們詳細介紹參與活動的統計數據，以及與被投資公司進行溝通和交流的部分案例研究，這些案例研究可能包括特定情況下的結果和下一步措施。我們也會說明共同參與，包括與其他機構投資人的合作。如有必要，我們會報告任何親自出席被投資公司股東會的情況。我們的報告包括總結投票活動資訊，並在適當時提供更詳細的說明。我們的永續投資政策和各個網站提供利害關係人包括客戶、受益人、被投資公司或其他機構投資人可使用的聯繫方式。

我們的揭露也包括與履行盡職治理職責相關的其他重大事件或政策。我們每季向機構型客戶提供投票報告，內容包括其投資組合中值得注意的投票詳情。這些報告包括我們投票反對管理階層的實例、對投票決定的解釋，以及我們在上一季代表客戶投票的所有會議的投票紀錄和 ESG 專題報告。我們也會每季在我們的網站上揭露我們的投票活動。我們每年編製一份更深入的年度永續報告，其中包括對投票活動的詳細分析，以及關於我們的治理和盡職治理活動的最新情況。

聯繫

如果您想瞭解更多有關富達在臺灣的盡職治理與永續投資措施，請寄送電子郵件至 ESGTeam@fil.com 向我們的永續投資團隊提出您的問題。

富達證券投資信託股份有限公司
2020 年

Fidelity International and the Taiwan Stewardship Principles for Institutional Investors

Fidelity International (Fidelity) supports the Taiwan Stewardship Principles for Institutional Investors. “FIL Securities Investment Trust Co. (Taiwan) Limited’s (“SITE”) main business is to manage and offer securities investment trust funds, discretionary investment management and other businesses as approved by the regulator, and is an asset manager. SITE hereby represents to comply with “Stewardship Principles for Institutional Investors”. This statement, together with Fidelity’s Sustainable Investment Policy, discloses our approach to each of the Principles. Compliance with the six principles is detailed below.

SITE is a member of the Fidelity International group of companies and “Fidelity” in this context refers to the independent group of privately-owned companies which form the global asset management organisation that provides products and services in designated jurisdictions outside of United States.

Overview

We consider the overall interests of relevant stakeholders when making investment decisions and exercising our fiduciary duty. We continually monitor the operations of our investee companies and participate in enhancing their corporate governance through attendance or participation at shareholder meetings, the exercise of voting rights, and engagement with company management.

We take into account the sustainable development of our investee companies and consider their risk and performance in terms of environmental, social and governance (“ESG”) factors. We have integrated ESG considerations into our investment decision making process and maintain constructive dialogue and interaction with our investee companies. Our stewardship activities cover the different asset classes we manage on behalf of our clients including equities, fixed income and real estate. We seek to promote companies’ sustainable development and believe this enhances the long-term interests of our clients and has a positive impact on society.

Principle 1

Establish and disclose stewardship policies

Our stewardship policies take into account our position within the investment chain, the nature of our business and how we seek to protect the rights and investments of our clients and beneficiaries. We pursue an active investment policy through portfolio management decisions, voting on resolutions at general meetings and maintaining an ongoing dialogue with the management of investee or potential investee companies. Our overarching objective is to deliver investment performance to our clients and in

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order to do so we seek a long term understanding of all aspects of the companies in which we invest.

We integrate environmental, social, and corporate governance (“ESG”) factors into our investment decision making process to promote the creation of long-term shareholder value and in doing so this also contributes to supporting our stewardship responsibilities. We believe that high standards of corporate responsibility will generally make good business sense and have the potential to protect and enhance investment returns. Our investment process takes ESG issues into account when, in our view, these have a material impact on either investment risk or return. We seek to gain an understanding of the relevant issues applicable to our investments through our internal research process and to identify those issues which may potentially threaten the value of our investment. Our integrated approach is applied across all the asset classes, sectors and markets in which we invest.

ESG analysis is carried out at analyst level within the Equity, Fixed Income, Multi-Asset and Real Estate Teams and our portfolio managers are also active in analysing the potential effects of these factors when making investment decisions. We also have a specialist in-house Sustainable Investing Team which coordinates Fidelity’s approach to sustainable investing and the implementation of our voting policies. We supplement our internal analysis with external resources including ESG ratings data and subscribe to several ESG research services. The Sustainable Investing Team also provides the Investment Team with quarterly reports and alerts on ESG-related topics as well as thematic ESG analysis.

We adopt a positive engagement approach whereby we discuss issues with the management of the companies in which we invest or consider investing on behalf of our clients. We use the information gathered during these meetings both to inform our investment decisions and also to encourage company management to improve procedures and policies. We believe that this is the most effective way to improve the attitude of business towards corporate responsibility and sustainable business practices.

Our stewardship policies capture and discuss our approach as a business to these issues and the importance and focus we place on duties and responsibilities to our clients. Our policies also outline a number of stewardship practices and activities that include: the frequency and methods of monitoring investee companies; interaction with management; participation in shareholders’ meetings and voting; status and management measures of outsourcing stewardship activities; the manner and frequency of disclosure relating to our stewardship fulfilment.

Fidelity’s stewardship policies are contained in our Sustainable Investment Policy and our most recent annual Sustainability Report highlighting key stewardship activities can be found on our website.

Principle 2

Establish and disclose policies on managing conflicts of interest

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Fidelity is a privately owned, multiclass asset manager and has a documented policy for the management of conflicts of interest designed to ensure that conflicts between the interests of Fidelity and its clients or between clients of different types are managed appropriately.

The Fidelity Conflicts of Interest Policy addresses the obligations of Fidelity and its subsidiaries carrying on regulated business to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of its clients. It applies to perceived as well as actual conflicts. Where it is a fiduciary, Fidelity owes a duty to its clients never to put itself in a position where its own interest results in an irreconcilable conflict with its duty to its clients or where its duty to one client results in an irreconcilable conflict with its duty to another client or clients. Fidelity is also under a regulatory duty to manage conflicts of interest fairly, both between itself and its clients and between different clients. To that end, Fidelity will identify, record, manage and, where required, disclose actual or potential conflicts of interests and have in place a policy relating to conflicts of interest.

Conflicts are identified through various means, including regular interviews with the business heads, awareness training and internal reviews. There is a governance structure in place to ensure the effective implementation of the Conflicts of Interest Policy and the Conflicts Oversight Forum meets on a quarterly basis to review any issues involving material conflicts occurring the previous quarter. These will include any newly identified conflicts, any breaches of the policy and any other relevant regulatory matters. A Conflicts Register is also maintained to ensure that significant conflicts have been identified, addressed and recorded. All employees must adhere to the Conflicts of Interest Policy, the Code of Conduct and associated policies and they are made aware that clients' interests must always come before those of Fidelity or its employees.

Situations where conflicts of interest could arise in the context of stewardship include the following examples:

1) Investing

Within Fidelity there are companies which invest as principal for investment purposes in equities and/or bonds in which Fidelity may also invest for our clients. Potential conflicts can occur during acquisition and disposal of securities, voting and the use of research. To manage these potential conflicts, decisions regarding Fidelity's investment portfolio are made independently of the investment management process which supports our clients' funds and accounts. Policies and procedures are in place to ensure that these principles are properly followed. It is also possible that a Fidelity fund or account will own securities issued by a client, but in all situations Fidelity's investment decisions will be guided by what we regard as the best interests of the relevant fund or account.

2) Trade Allocation

When performing client transactions in securities, Fidelity will combine orders where this it is in the best interests of the clients as a whole. If there is

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insufficient liquidity resulting in a partial completion of the order then the securities will be allocated across all clients participating in the block and it is possible that one client may receive a more favourable allocation over another client. To manage this potential conflict, Fidelity maintains a Trading Desk Policy which ensures the consistent and fair application of trade allocations. Allocations are performed on a pro-rata basis based on the size of the order, and the system allocation algorithm is automatically applied for every trade, subject to three lines of oversight – the Trading Desk supervisor, Compliance and Internal Audit/Risk.

3) Voting

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 abstain or not vote at all. We will not vote at shareholder meetings of any Fidelity funds unless specially instructed by a client.

Principle 3

Regularly monitor investee companies

We regularly monitor our investee and potential investee companies and continuously assess the impacts of relevant information on their long-term value and implications for our clients. This review informs our dialogue and interaction with these companies and is also a reference point for future investment decisions. We determine the content, extent and frequency of monitoring investee companies with consideration to a number of factors and criteria that include the investment objective and the cost and benefits. We also consider information including, opportunities and risks, ESG issues and impacts.

Fidelity pursues an active investment policy through portfolio management decisions, voting on resolutions at general meetings and maintaining an ongoing dialogue with the management of investee or potential investee companies. Our overarching objective is to deliver investment performance to our clients and in order to do so we seek a long term understanding of all aspects of the companies in which we invest. The intensive analysis which accompanies an initial investment continues throughout and beyond the life of the investment itself. Fidelity's investment analysts act as the hub for our communication with companies and they undertake extensive quantitative and qualitative analysis of potential investments. Formal meetings involving both portfolio managers and analysts are held with investee companies at least twice a year and these meetings focus on the drivers of long term performance, although shorter term issues are also relevant in the context of satisfying ourselves that the longer term investment thesis is still intact. In addition to financial and strategic matters, discussion will cover a wide range of related investment topics including, but not restricted to, corporate governance and business sustainability.

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Meetings are supplemented by an informal schedule of contacts such as site visits and ad hoc calls, and research analysts are also encouraged to develop knowledge of a broad range of industry experts across the value chain in their chosen coverage fields. Research may encompass customers, suppliers, competitors, external industry experts, sell side investment analysts and other shareholders, both directly and through intermediary networks. The investment analysts are responsible for producing most of our company research but for some of our larger holdings this research is complemented by in-depth due diligence reports prepared by senior investment professionals. In addition to internally produced research, we also from time to time commission bespoke research from external agencies.

We believe that the more we can learn about our investee companies the better we can hold them to account for delivering on their strategy, and to this end there are numerous internal weekly, monthly and quarterly reviews designed to pool knowledge of our investee companies and to identify opportunities and matters for attention. Individual portfolios are also subject to an in-depth quarterly review with senior management, in which every aspect of the fund in question is examined, including risk profile, volatility, performance and fund positioning as well as the individual investments and ESG considerations of the fund in question.

Where there are particular issues giving rise to concern or when we want a broader perspective of a company's business, we will often seek meetings with Chairmen and/or independent directors. There is no automatic cycle for meetings of this nature and they take place when there is deemed to be a need for them. Meetings with Chairmen and/or independent directors almost always involve senior portfolio managers in addition to the investment analyst and representatives of the Sustainable Investing Team. In addition to a review of strategy, the proper operation of the Board is a key focus and discussion will cover matters such as Board effectiveness and balance as well as succession planning. Sometimes these meetings are one-off in nature but in other cases we will hold meetings with a particular Chairman and/or independent director on a regular basis until the matter under discussion has been satisfactorily resolved.

The Sustainable Investing Team also hold their own meetings and calls with companies and these discussions focus primarily on corporate governance, such as board independence and remuneration, and broader ESG-related topics. Fidelity's investment analysts are encouraged to participate in these discussions so as to ensure that the Investment and Sustainable Investing Teams provide an integrated message to companies.

In summary, we integrate and use ESG factors to monitor, analyse, and evaluate the related risks and opportunities of our investee and potential investee companies. We seek to fully understand the sustainable development strategy of an investee company. Our investment analysis includes detailed review of ESG matters and supports our investment decision making process.

Principle 4

Maintain an appropriate dialogue and interaction with investee companies

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We believe that it is critical to maintain an appropriate dialogue and interaction with our investee companies to better understand the views of their management regarding material issues and obtain mutual feedback that will potentially result in strengthening their corporate governance and sustainable business practices.

When determining the scope and duration of engagement with our investee companies, we take into account the purpose, cost and benefits of the investment and significance of a particular issue. Our engagement with companies can occur in a number of different forms. Engagements may be written or verbal communication with management or other stakeholders. In other situations, we may communicate our view on an issue through public statements or articles. We also utilise our investee companies' shareholder meetings as an avenue to signal our views, most commonly through submitting votes in accordance with our voting policy.

As a general policy, we aim to support the management of our investee companies, however we engage in robust dialogue with the company and form our own views on the strategy and governance of a business. On occasion our views can differ from those of management or the Board and this can result in an escalation of our engagement. Factors considered prior to an escalation of engagement include an assessment of the materiality of the matter in dispute, the size of our shareholding, the timeframe of the investment thesis and the ownership profile of the business. Escalation can also occur when we become aware of differences between directors. Our specific response will always be determined on a case by case basis and there will be instances when we choose to sell our shares. When escalation is deemed appropriate our first step is often to contact other significant shareholders to determine whether they share our views or concerns. Following these conversations, we will speak to the company's advisors and/or independent directors for a further exchange of views. Our strong preference is to achieve our objectives in a consensual and confidential manner but when differences with a company remain, we may consider joint engagement with other shareholders and more public forms of dissent although as a general policy we do not favour using the media to help achieve our objectives.

Where it is necessary to take action on a particular issue, we may act collectively, where legally permitted, with other institutional investors, so as to protect the rights and interests of clients and to support the sustainable development of the investee company. We maintain close relationships with a wide spectrum of investors as well as other corporate stakeholders. Relevant factors in determining whether or not to participate in a collective engagement will include the identity of the other leading investors, the relative size of their investment and a determination of whether a collective approach is necessary in order to achieve a satisfactory outcome. If differences with a company remain unresolved, we may vote against the Board in a general meeting or even requisition an extraordinary general meeting to enable all investors to vote on the matter in dispute.

We participate in advocacy organizations on specific ESG issues, to jointly expand and promote improvements in these areas both at local and international levels. We also participate in the debate on the development of appropriate standards for sustainable investing through our membership in various forums. Fidelity's Sustainable Investing Team are members or involved in numerous, external ESG-related organisations. These organisations include local Investment Associations, the International Corporate

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Governance Network (“ICGN”) and the Asian Corporate Governance Association (“ACGA”). Fidelity is a signatory to the United Nations Principles for Responsible Investment (“UNPRI”). We are also members of a number of trade and industry bodies around the world. We regularly engage with local regulators on matters that may affect investee companies. This may take the form of direct dialogue, responding to public consultation requests, or other consultation forums.

We place a significant emphasis on our approach to engagement within our stewardship activities. We maintain a strong focus on the changes we seek to make at an investee company including specific milestones and material outcomes, and to determine subsequent engagement action that also informs our investment decision making process.

Principle 5

Establish and disclose clear voting policies and voting results

We have established voting policies, detailing our views and opinions on key matters, with the purpose to support the exercise of voting rights on each proposal at the shareholder meetings of our investee companies. We carefully exercise voting rights of securities we manage in relation to motions which have significant impacts on the rights and benefits of our clients.

Fidelity maintains a specialist in-house Sustainable Investing Team which coordinates our approach to ESG and implement our voting policies. Our voting guidelines are updated on a regular basis and can be found on our website. Information to support our voting decision making process is derived from a variety of sources and includes material provided by the company, proxy voting governance research services and internal research. Discussions may also be held with investee companies themselves.

Our voting policy takes into account long-term joint interests of clients and investee companies. We review agenda items at the shareholder meetings of our investee companies and always vote in accordance with our stated voting policy and guidelines.

Our voting policy outlines our approach to exercising voting rights and the evaluation of different types of proposals including those items we will generally not support. We seek to vote all equity securities where possible. In certain special situations we may determine not to submit a vote where the cost in our view outweighs the associated benefits. We will also take account of the particular circumstances of the investee company concerned and of prevailing local market best practice. All votes are managed by our Sustainable Investing Team and voted in accordance with our approach to Sustainable Investing and our proxy voting guidelines.

We subscribe to several proxy voting governance research services including: Institutional Shareholder Services and Glass Lewis. We have established a set of customised guidelines with our voting agent but all votes are cast in accordance with our voting policies after consultation with the relevant portfolio managers where appropriate. We seek to vote all equity securities where possible but take into account regulatory obligations and exceptions where the expected benefit of voting is

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outweighed by the expected costs. We will also consider the particular circumstances of the investee company concerned and of prevailing local market best practices.

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 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 investors.

It is not our usual policy to attend general 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 capture, analyse and record our voting activity in accordance with our policies. We disclose our voting policy, guidelines and votes cast. We provide disclosure of information relating to our voting activity at an aggregate level. We may disclose rationales for our votes at our investee companies where deemed necessary and practical. We disclose our voting record for the preceding 12 months on our website and this information is updated on a quarterly basis.

Principle 6

Periodically disclose the status of fulfilment of stewardship responsibilities

Fidelity captures and records its stewardship activities and this assists in our assessment and improvement of our stewardship policy, its implementation and action, and disclosure. We regularly review our stewardship policies, conflicts of interest policies, voting policies and the status of meeting our stewardship responsibilities. Furthermore, we evaluate the effectiveness of our stewardship activities and this review also informs our subsequent focus areas, processes and practice.

We regularly disclose stewardship activities to our clients and intend that the relevant information is easily accessible and clearly understood. We publish a Sustainable Investment Policy and stewardship report, our Sustainability Report, annually on our website as well as other policy documents and statements. These include our statement on "Stewardship Principles for Institutional Investors" and explanations for non-compliance with certain principles where applicable. These documents include information on the company's internal resources and organizational structure to implement stewardship. We detail statistics of engagement activities and some case studies of the communication and engagement with our investee companies and these may include the outcomes and next steps in specific cases. We also make reference to collaborative engagements including those with other institutional investors. If noteworthy, we may report on any attendance in person at a shareholders' meetings of

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an investee company. Our reporting includes summary level voting activity information and where appropriate more granular description. Our Sustainable Investment Policy and various websites include contact details for stakeholders such as clients, beneficiaries, investee companies or other institutional investors to reach us.

Our disclosure also covers other material events or policies that are relevant to the fulfilment of our stewardship responsibilities. We provide quarterly voting reports to our institutional clients including details of noteworthy votes within their portfolios. These reports include instances where we voted against management as well as an explanation for our voting decision together with a voting record of all meetings voted on behalf of the client in the previous quarter and a thematic ESG report. We also disclose our votes on a quarterly basis on our website. On a yearly basis, we prepare a more in-depth annual Sustainability Report which includes a detailed analysis of our voting activities as well as an update on our governance and stewardship activities.

Contact

If you would like to learn more about Fidelity's approach to Stewardship and Sustainable Investing in Taiwan, please send your enquiry to our Sustainable Investing Team at ESGTeam@fil.com

FIL Securities Investment Trust Co., (Taiwan) Limited

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