

Arkema Bostik Defined Benefit Pension Scheme Implementation Statement for the year ended 5th April 2024

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustee Directors of the Arkema Bostik Defined Benefit 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 5th April 2024 (“the reporting year”). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Background

In Q1 2020, the Trustee Directors 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 Trustee Directors 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 Trustee Directors’ policy was first documented in the updated Statement of Investment Principles dated August 2020, and remains in the SIP dated September 2023.

Over the reporting year, the Trustee Directors received a broad training session covering the key aspects of Pension Scheme investment, within which ESG was covered.

The Scheme’s Statement of Investment Principles (“SIP”) was updated in September 2023 to reflect strategic decisions made by Trustees in relation to the Scheme’s investment portfolio.

The Trustees’ policy on ESG and stewardship

The Trustee Directors believe that there can be financially material risks relating to ESG issues. The Trustee Directors have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme’s investment managers. The Trustee Directors 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 Trustee Directors 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.

In order to ensure sufficient oversight of the engagement and voting practices of their managers, the Trustee Directors may periodically meet with their investment managers to discuss engagement which has taken place. The Trustee Directors will also expect their investment adviser to engage with the managers from time to time as needed and report back to the Trustee Directors on the stewardship credentials of their managers.

The Trustee Directors will then discuss the findings with the investment adviser, in the context of their own preferences, where relevant. This will include considering whether the manager is a signatory to the UK Stewardship Code. The Trustee Directors recognise the Code as an indication of a manager’s compliance with best practice stewardship standards.

Manager selection exercises

One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustee Directors 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 year, the Trustee Directors transitioned to a liability matching portfolio managed by LGIM. This transition was initiated as a result of XPS downgrading its internal research rating of the Scheme's BlackRock LDI holdings. Alternative options were considered, each recommended by XPS, using various criteria. One of the criteria - in acknowledgement of the Trustee Directors' updated ESG policy - was that the investment manager had been found to have a credible ESG capability, with decisions linked to that capability applied to the fund to an acceptable degree.

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 that any selected managers reflect the Trustee Directors' views on ESG (including climate change) and stewardship.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on factors including 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. Stewardship and ESG matters are therefore regularly discussed at Trustee Board meetings.

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 will have voting rights is equities. The Scheme has specific allocations to public equities, and investments in equities will also form part of the strategy for the diversified growth funds in which the Scheme invests. A summary of the voting behaviour and most significant votes cast by each of the relevant investment manager organisations is shown below.

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 manager.

As the Scheme invests in pooled funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest. They have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers

The Trustees have confirmed this approach to be appropriate for the Scheme's investments. The information below is the investment managers' activity in relation to voting.

Where the manager has provided a selection of significant votes, the Trustees have reviewed the rationale for significant votes provided by the managers and are comfortable with the rationale provided, and that it is consistent with their policy. The Trustees, with the help of XPS, have considered the information the investment managers have been able to provide on significant voting, and have deemed the below information as most relevant.

Disclaimer: Neither XPS nor the Trustees have vetted these votes. From a high level review, XPS identified that some of the votes provided by BlackRock for the UK Equity Index Fund do not align with the fund, as some of the holdings were listed on

non-UK markets. BlackRock have confirmed these are invested in by the fund, and form part of unit trusts that are constituents of the FTSE All-Share Index. They have declined to provide any further information, or voting summaries that are reflective of the UK focused element of the fund. These summaries have been provided by the investment manager(s) and any reference to "our", "we" etc. is from the investment manager's perspective. Please note that the voting information included in this Implementation Statement covers the 12 months to 31 March 2024, as BlackRock and Baillie Gifford provide this information on a quarterly basis.

BlackRock – Aquila Life UK Equity Index Fund

Voting Information

Trustee Directors of the Arkema Bostik Defined Benefit Pension Scheme

The manager voted on 96.4% of resolutions of which they were eligible out of 14,770 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.

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.

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.

Top 5 Significant Votes during the Period

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Shell Plc	23/05/2023	7.14%	Approve the Shell Energy Transition Progress	For	Pass

Why the vote was deemed significant:

Vote Bulletin; BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients. Our vote bulletins can be found here: <https://www.blackrock.com/corporate/about-us/investment-stewardship#vote-bulletins>

Where voted against the company, was this communicated:

We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our 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 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. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.

Rationale:

Shell’s current disclosure states that the company aims to reduce their scope 1 and 2 greenhouse gas (GHG) emissions by 50% by 2030 compared to 2016 levels on a net basis. By 2022, operational emissions had been reduced by 30%. In addition, in the past year, Shell has continued to deliver against their target to increase total capex spending on low- and zero-carbon energy. Last year, Shell spent \$3.5 billion of cash

capital expenditure on renewables and energy solutions, of which \$2.9 billion was on low carbon energy solutions, up from \$2.4 billion spent on renewables and energy solutions in 2021, within which \$1.8 billion was spent on low carbon energy solutions. Shell also acquired Sprng Energy, one of India's leading renewable power platforms, and has agreed to acquire Nature Energy, the largest producer of renewable natural gas in Europe, representing an investment of around \$3.5 billion in new businesses to support their objective to deliver on Shell's Powering Progress strategy. This will increase the company's renewables capacity in operation and enable the company to develop low- and zero-carbon alternatives to traditional fuels.

Implication:

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.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Shell Plc	23/05/2023	7.14%	Request Shell to Align its Existing 2030 Reduction Target Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	Against	Fail

Why the vote was deemed significant:

In our commentary, "Climate-related risk and the energy transition," we discuss that, as investors, we find it helpful to be able to evaluate companies' assessments of their emissions across their value chain, or scope 3 emissions, where appropriate, and efforts to reduce them over time. A growing number of companies have started disclosing scope 3 emissions estimates, which provide important insight into the full carbon component of companies' goods and services. This further allows investors to evaluate the long-term risks and resilience of companies' value chains. However, we recognize that the methodology, accounting, assurance, and regulatory landscape for scope 3 emissions is complex, varied, and still evolving. Double counting is also a legitimate concern. Accordingly, we understand that the scope 3 disclosures that companies are able to make at this time will necessarily be on a good faith and best-efforts basis. Further

information can be found via the following link: <https://www.blackrock.com/corporate/insights/investment-stewardship#vote-bulletins>

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Rationale:

BIS did not consider it in the financial interests of our clients to support this shareholder proposal. As discussed above, in our assessment of their Energy Transition Strategy, the company is addressing the risks and opportunities in their business model stemming from a low carbon transition and has demonstrated that they are delivering against their stated plan.

Implication:

From the shareholder proposal’s supporting statement, it appears that the proponent is requesting that the company set an absolute reduction target for their scope 3 GHG emissions. In our view, this is overly prescriptive and unduly constraining on management’s decision making. Adhering to the proponent’s ask would require Shell to reduce product sales or alter their business composition, which could impact the company’s financial strength and unduly constrain management. For those reasons, BIS determined that the shareholder proposal was not aligned with the financial interest of shareholders. As a minority investor on behalf of our clients, BlackRock relies on the boards and management teams of companies to implement the strategies they deem most appropriate with the objective of delivering durable long-term financial returns.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Exxon Mobil Corporation	31/05/2023	N/A	Adopt Medium-Term Scope 3 GHG Reduction Target	Against	Fail

Why the vote was deemed significant:

In our commentary, “Climate-related risk and the energy transition”, we discuss that, as investors, we find it helpful to be able to evaluate companies’ assessments of their emissions across their value chain, or scope 3 emissions, where appropriate, and any efforts to reduce them over time. A growing number of companies have started disclosing scope 3 emissions estimates, which provide important insight into the full carbon component of companies’ goods and services. This further allows investors to evaluate the long-term risks and resilience of companies’ value chains. However, we recognize that the methodology, accounting, assurance, and regulatory landscape for scope 3 emissions is complex, varied, and evolving. We understand

that the scope 3 disclosures that companies are able to make at this time will necessarily be on a good faith and best-efforts basis. We believe that by meaningfully addressing risks relating to operational emissions including by setting emissions reduction targets on scope 1 and 2 emissions, including methane, companies can reduce the risk of climate to their businesses. Further information can be found via the following link: <https://www.blackrock.com/corporate/insights/investment-stewardship#vote-bulletins>

Where voted against the company, was this communicated:

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Rationale:

BIS did not support this shareholder proposal because, in our view, the methodology for setting scope 3 targets in carbon intensive industries is still under development. Until there is a common framework for managing the related uncertainty and complexity, we look to company management to determine the appropriate disclosures to help investors understand their approach. Further, complying with the specific ask of the shareholder proposal may be unduly constraining on management and the board's ability to set the company's long-term business strategy.

Implication:

Exxon has continued to enhance their disclosure and action around managing climate-related risks and opportunities. In December 2022, the company released a 2023 Advancing Climate Solutions Report which outlines their approach to "strengthening energy supply security and reducing emissions to support a net-zero future while growing value for our shareholders and stakeholders." In it, the company highlights several of their achievements and initiatives such as a target to increase the amount invested in lower-emission initiatives by 15% to approximately \$17 billion through 2027. From 2021, Exxon has grown their Low Carbon Solutions business by focusing on opportunities such as carbon capture and storage (CCS), hydrogen and biofuels. This has included signing a significant commercial CCS agreement in October 2022. Based on these efforts and our engagements with the company, BIS believes that Exxon's management and board have demonstrated a more defined commitment to capturing opportunities relating to a transition to a low carbon economy, as well as minimizing attendant risks. Therefore, BIS did not believe it was in the financial interests of our clients to support this shareholder proposal.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Exxon Mobil Corporation	31/05/2023	N/A	Report on Methane Emission Disclosure Reliability	Against	Fail

Why the vote was deemed significant:

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Rationale:

BIS did not support this shareholder proposal because, in our assessment, Exxon has provided sufficient disclosures on both their approach to methane emissions abatement as well as how they are working to accurately measure and monitor methane emissions.

Implication:

Overall, BIS found Exxon’s approach to managing methane emissions in their operations to be on par with the efforts of leading peers. The company has rigorous targets to reduce methane emissions, is deploying a wide range of technologies to more accurately measure progress against these targets and is participating in industry efforts to improve the accuracy of direct methane measurement. In our assessment, the company’s existing disclosures already include the information requested in the shareholder proposal. On balance, the costs of additional reporting were not warranted and therefore, not aligned with our clients’ financial interests. We will continue to engage with Exxon on the important topic of methane emissions management generally, as well as on the technology and reporting of direct methane measurement.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Dollar Tree, Inc	13/06/2023	N/A	Elect Director Cheryl W. Grise	Against	Pass

Why the vote was deemed significant:

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Rationale:

As outlined in the BIS proxy voting guidelines for U.S. securities, in instances where we identify a misalignment between a company’s compensation practices and shareholder’s long-term financial interests, BIS may not support the election of members of the compensation committee.

Implication:

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.

BlackRock – Aquila Life World (ex UK) Equity Index Fund

Voting Information

Trustee Directors of the Arkema Bostik Defined Benefit Pension Scheme

The manager voted on 94.3% of resolutions of which they were eligible out of 27,144 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.

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.

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.

Top 5 Significant Votes during the Period

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Broadcom Inc.	03/04/2023	0.90%	Advisory Vote to Ratify Named Executive Officers' Compensation	Against	Fail

Why the vote was deemed significant:

In summary, we remained concerned about the disproportionate focus on short-term goals and the insufficient transparency in relation to compensation. As a result, we determined not to support the say on pay proposal.

Where voted against the company, was this communicated:

We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our 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 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. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.

Rationale:

BIS did not support Broadcom's say-on-pay proposal which sought approval of pay policies that we did not consider to be aligned with the interests of long-term shareholders.

Implication:

BIS has engaged the company on their executive compensation practices over the past several years to understand how pay outcomes aligned with strategy and incentivized long-term financial performance. In recent engagement, we raised concerns about the company's long-term incentive plan, the multi-year use of one-off awards, and the lack of a clawback policy.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Koninklijke Ahold Delhaize NV	12/04/2023	0.04%	Approve Remuneration Report	For	Pass

Why the vote was deemed significant:

As we outline in our proxy voting guidelines for European, Middle Eastern, and African (EMEA) securities, which detail our approach to executive remuneration practices in the region, in our view, pay should be closely linked to performance and aligned with the generation of durable, long-term financial value for shareholders. In our engagements with companies and our assessment of their remuneration disclosures, we look for clear evidence of this linkage. Further information can be found via the following link:
<https://www.blackrock.com/corporate/insights/investment-stewardship#vote-bulletins>

Where voted against the company, was this communicated:

We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our 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 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. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.

Rationale:

BIS supported the advisory vote to approve the 2022 remuneration report, following engagements with company management and members of the board of directors. This recognizes the year-over-year progress that Ahold Delhaize has made in addressing prior shareholder concerns regarding their remuneration policies and related disclosures.

Implication:

We have been further encouraged by Ahold Delhaize's response to shareholder feedback - including BlackRock's - in the past year and voted to approve the 2022 remuneration report. We note that the 2022 report discloses several new factors that we find helpful in understanding how the company's remuneration policy is conducive to shareholder value creation. Specifically, for both short- and long-term incentive plans, there is full disclosure of targets and performance intervals for all metrics – a point the company notes in the report was a "recurring topic" in their engagements with stakeholders. We also note an enhanced focus on long-term incentives, with shifts towards variable remuneration from fixed pay relative to 2021. This includes a reduction in the maximum payout level for the short-term incentive plan, and a related increase to the long-term incentive plan. Furthermore, we note that the company has increased the weight of material sustainability-related criteria for both plans from prior years. At the company's 2023 AGM, shareholder support for the remuneration report increased from the prior year to 94.43%. BIS will continue to monitor Ahold Delhaize's progress on executive remuneration, and engage with the company, where appropriate, to discuss matters material to long-term financial value creation.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
BE Semiconductor Industries NV	26/04/2023	0.02%	Advisory vote on the Remuneration Report 2022	Against	Fail

Why the vote was deemed significant:

At Besi's 2020, 2021, and 2022 annual general meetings (AGMs), BIS did not support the company's remuneration policy or remuneration report given the use each year of discretion by Besi's remuneration committee, without a compelling rationale, leading to, in our assessment, excessive payouts to executives.

We recognize that remuneration committees may, from time to time, determine it is necessary to use discretion to override the structure of an incentive plan or to make exceptional awards. In such situations, we find it helpful when company disclosures address whether and why the remuneration committee used discretion, as well as factors taken into consideration in determining the appropriate compensation outcome.

Where voted against the company, was this communicated:

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Rationale:

BIS did not support the 2022 remuneration report over our concerns about several structural issues, mainly related to the board's use of discretionary awards and metrics that, in our view, were not sufficiently stretching.

Implication:

At Besi's 2023 AGM, BIS did not support the 2022 remuneration report given we continue to observe areas for improvement. For example, the metrics introduced were not challenging – the long-term incentive plan still vests for underperformance against peers on a total shareholder return basis. We also noted that the company used the same metrics in both the short- and long-term incentive plans, resulting in the rewarding of executives for the same performance twice.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Yum! Brands, Inc.	18/05/2023	0.06%	Report on Efforts to Reduce Plastic Use	Against	Fail

Why the vote was deemed significant:

BIS engages with companies in certain sectors, including the restaurant industry, on their approach to plastic packaging. Given the impact on long-term shareholder value (such as increasing customer demand for recyclable packaging and potential regulatory costs), we appreciate when companies who produce or rely heavily on plastics in their products or operations disclose information on how waste is managed.

Where a matter such as plastic usage is material to a company's long-term strategy, we look to their disclosures to assess risk oversight, and to understand how such impacts and dependencies are managed. Specifically, we find it helpful when companies disclose any targets for managing these factors, how they monitor progress against these stated goals, and how these efforts might contribute to process and resource efficiencies. Further information can be found via the following link:

<https://www.blackrock.com/corporate/insights/investment-stewardship#vote-bulletins>

Where voted against the company, was this communicated:

We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our 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 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. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.

Rationale:

BIS did not support this proposal, which requested Yum! to issue a report detailing the company’s efforts to reduce plastics use. In our analysis, Yum!’s existing disclosures on plastics use – particularly their new packaging policy and reduction goals – are comprehensive and provide sufficient information to allow investors to understand the company’s approach to managing the risks of plastics use.

Implication:

In July 2022, Yum! updated their sustainable packaging policy, outlining the actions they have taken and those that they plan to take to address the issue of plastic-based packaging. Among other things, the company set goals to eliminate unnecessary plastics use, reduce virgin plastic content by 10%, and move consumer-facing plastic packaging to be reusable, recyclable, or compostable by 2025 across all brands. We note that there are areas where, in our assessment, Yum! could improve their disclosure, particularly in setting targets for reusable packaging. However, Yum!’s existing disclosures and commitments are sufficiently comprehensive for investors to understand their approach. The company’s packaging policy and reduction goals are appropriately set by the Board and management team in their oversight and management, respectively, of the business. We, therefore, do not consider it is necessary for shareholders to direct management to undertake a review of them less than a year after the release of the new policy and targets. As a result, BIS did not believe it was in the financial interests of our clients to support this shareholder proposal.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Chevron Corporation	31/05/2023	0.42%	Oversee and Report a Racial Equity Audit	Against	Fail

Why the vote was deemed significant:

As a fiduciary, we view proposals asking companies to undertake a racial equity assessment, or equivalent, through the lens of mitigating economic and reputational risk that could impact long-term financial value creation on behalf of our clients. As with other shareholder proposals, we analyze each on a case-by-case basis, considering the company’s policies, practices, and disclosures, as well as the balance between the costs and benefits of undertaking a third-party assessment.

Where voted against the company, was this communicated:

We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our 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 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. Our voting

decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.

Rationale:

BIS did not support this shareholder proposal because in our assessment, Chevron’s policies and actions on diversity, equity, and inclusion largely address the issues of focus in the shareholder proposal, which was confirmed by the independent racial equity audit the company voluntarily undertook in the last year.

Implication:

In our assessment, the report published in March and the company’s underlying policies and practices as evidenced through Chevron’s disclosures, demonstrate the robustness of the approach they take to DEI.

The report sought by the proponent would not, in our view, provide shareholders with an enhanced understanding of either the risks or robustness of Chevron’s internal or external approach to DEI. BIS, therefore, determined that support for the proposal would not be in our clients’ financial interests as long-term investors.

BlackRock iShares Emerging Markets Index

Voting Information

Trustee Directors of the Arkema Bostik Defined Benefit Pension Scheme

The manager voted on 98.7% of resolutions of which they were eligible out of 23,079 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.

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.

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.

Top 5 Significant Votes during the Period

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Zhejiang Expressway Co., Ltd.	04/05/2023	0.01%	Amend Articles of Association	Against	Withdrawn

Why the vote was deemed significant:

Zhejiang Expressway included a management proposal at the 2023 AGM to amend the company’s AOA. The amendments, if approved by shareholders, would remove the need for certain agenda items – such as rights issues – to receive shareholder approval in separate class meetings.⁵ Instead, such items would only require approval in a combined meeting that included the company’s controlling shareholder.

Where voted against the company, was this communicated:

Ahead of the 2023 AGM, BIS engaged with the company to communicate concerns that the amended AOA could risk removing an important mechanism to protect minority shareholder interests. Prior to the AGM, the company released a statement announcing that the board had decided to withdraw the AOA amendments from consideration by shareholders at the AGM, citing “a number of concerns raised by the

Shareholders in relation to the Proposed Amendments, in particular those relating to the cancellation of class meetings.”

Rationale:

Had the AOA amendments remained on the AGM agenda, BIS would not have voted in support of management’s recommendation. As discussed above, BIS maintains it would be in our clients’ best long-term economic interests as minority shareholders to have separate class meetings, both as a mechanism to protect minority shareholder interests, as well as an important channel for shareholder feedback. As stated in our Global Principles, in our experience, companies are responsible for ensuring they have appropriate governance structures to serve the interests of shareholders and other key stakeholders. BIS will continue to engage with issuers in the Greater China market to understand their perspectives and approaches to the regulatory updates, including the processes they have in place to consider the interests of independent minority shareholders.

Implication:

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.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Shin Kong Financial Holding Co. Ltd.	09/06/2023	0.04%	Elect CHIEN, MIN-CHIU, with SHAREHOLDER NO.A221993XXX as Independent Director	For	Pass

Why the vote was deemed significant:

In the APAC region, BIS has identified director independence as a major corporate governance issue that may have an impact on the ability of some local companies to create long-term financial value for shareholders, including minority shareholders such as BlackRock’s clients. As discussed in our Global Principles and report on Board Independence in Asia-Pacific, BIS finds that an independent board is better able to oversee management and ensure that business strategies are aligned with the goal of delivering durable, long-term financial performance. As such, BIS look to boards to have a sufficient number of independent non-executive directors (INEDs), free from conflicts of interest or undue influence from connected parties, to bring an objective view to board decisions and ensure that the interests of all shareholders are protected.

Where voted against the company, was this communicated:

We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our 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 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. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.

Rationale:

BIS supported nine candidates put forward by the reform camp to introduce a diversity of views and five management-nominated directors to maintain a level of institutional knowledge in the board. BIS will continue to engage with the company regarding the steps it is taking to enhance its corporate governance structure and support long-term financial value creation for shareholders. Given the controlled shareholder structure, BIS is of the view that institutionalizing the role of a lead independent director could help empower independent directors to provide more effective independent oversight and foster accountability to the broader shareholder base.

Implication:

In our assessment, long-term investors, including our clients, would benefit if the company were to enhance their corporate governance practices. This would include establishing an independent nomination committee, improving overall board independence, and appointing a lead independent director to strengthen independent board leadership.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Shin Kong Financial Holding Co. Ltd.	09/06/2023	0.04%	Elect LAI, KWAN-CHUNG, with SHAREHOLDER NO.R121069XXX as Non-independent Director	Against	Fail

Why the vote was deemed significant:

In the APAC region, BIS has identified director independence as a major corporate governance issue that may have an impact on the ability of some local companies to create long-term financial value for shareholders, including minority shareholders such as BlackRock's clients. As discussed in our Global Principles and report on Board Independence in Asia-Pacific, BIS finds that an independent board is better able to oversee management and ensure that business strategies are aligned with the goal of delivering durable, long-term financial performance. As such, BIS look to boards to have a sufficient number of independent non-executive directors (INEDs), free from conflicts of interest or undue influence from connected parties, to bring an objective view to board decisions and ensure that the interests of all shareholders are protected.

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Implication:

In our assessment, long-term investors, including our clients, would benefit if the company were to enhance their corporate governance practices. This would include establishing an independent nomination committee, improving overall board independence, and appointing a lead independent director to strengthen independent board leadership.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Shin Kong Financial Holding Co. Ltd.	09/06/2023	0.04%	Elect SHIU, YUNG-MING, with SHAREHOLDER NO.S120672XXX as Independent Director	Against	Pass

Why the vote was deemed significant:

In the APAC region, BIS has identified director independence as a major corporate governance issue that may have an impact on the ability of some local companies to create long-term financial value for shareholders, including minority shareholders such as BlackRock’s clients. As discussed in our Global Principles and report on Board Independence in Asia-Pacific, BIS finds that an independent board is better able to oversee management and ensure that business strategies are aligned with the goal of delivering durable, long-term financial performance. As such, BIS look to boards to have a sufficient number of independent non-executive directors (INEDs), free from conflicts of interest or undue influence from connected parties, to bring an objective view to board decisions and ensure that the interests of all shareholders are protected.

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Rationale:

BIS supported nine candidates put forward by the reform camp to introduce a diversity of views and five management-nominated directors to maintain a level of institutional knowledge in the board. BIS will continue to engage with the company regarding the steps it is taking to enhance its corporate governance structure and support long-term financial value creation for shareholders. Given the controlled shareholder structure, BIS is of the view that institutionalizing the role of a lead independent director could help empower independent directors to provide more effective independent oversight and foster accountability to the broader shareholder base.

Implication:

In our assessment, long-term investors, including our clients, would benefit if the company were to enhance their corporate governance practices. This would include establishing an independent nomination committee, improving overall board independence, and appointing a lead independent director to strengthen independent board leadership.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Shin Kong Financial Holding Co. Ltd.	24/07/2023	0.04%	Approve Class and Nominal Value of Rights Shares	For	Pass

Why the vote was deemed significant:

In the APAC region, BIS has identified director independence as a major corporate governance issue that may have an impact on the ability of some local companies to create long-term financial value for shareholders, including minority shareholders such as BlackRock's clients. As discussed in our Global Principles and report on Board Independence in Asia-Pacific, BIS finds that an independent board is better able to oversee management and ensure that business strategies are aligned with the goal of delivering durable, long-term financial performance. As such, BIS look to boards to have a sufficient number of independent non-executive directors (INEDs), free from conflicts of interest or undue influence from connected parties, to bring an objective view to board decisions and ensure that the interests of all shareholders are protected.

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Rationale:

BIS supported nine candidates put forward by the reform camp to introduce a diversity of views and five management-nominated directors to maintain a level of institutional knowledge in the board. BIS will continue to engage with the company regarding the steps it is taking to enhance its corporate governance structure and support long-term financial value creation for shareholders. Given the controlled shareholder structure, BIS is of the view that institutionalizing the role of a lead independent director could help empower independent directors to provide more effective independent oversight and foster accountability to the broader shareholder base.

Implication:

In our assessment, long-term investors, including our clients, would benefit if the company were to enhance their corporate governance practices. This would include establishing an independent nomination committee, improving overall board independence, and appointing a lead independent director to strengthen independent board leadership.

BlackRock – Dynamic Diversified Growth Fund

Voting Information

Trustee Directors of the Arkema Bostik Defined Benefit Pension Scheme

The manager voted on 94.4% of resolutions of which they were eligible out of 7,166 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.

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.

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.

Top 5 Significant Votes during the Period

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Broadcom Inc.	03/04/2023	0.48%	Advisory Vote to Ratify Named Executive Officers' Compensation	Against	Fail

Why the vote was deemed significant:

In summary, we remained concerned about the disproportionate focus on short-term goals and the insufficient transparency in relation to compensation. As a result, we determined not to support the say on pay proposal.

Where voted against the company, was this communicated:

We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our 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 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. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.

Rationale:

BIS did not support Broadcom's say-on-pay proposal which sought approval of pay policies that we did not consider to be aligned with the interests of long-term shareholders.

Implication:

BIS has engaged the company on their executive compensation practices over the past several years to understand how pay outcomes aligned with strategy and incentivized long-term financial performance. In recent engagement, we raised concerns about the company’s long-term incentive plan, the multi-year use of one-off awards, and the lack of a clawback policy.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Shell Plc	23/05/2023	0.24%	Request Shell to Align its Existing 2030 Reduction Target Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	Against	Fail

Why the vote was deemed significant:

In our commentary, “Climate-related risk and the energy transition,” we discuss that, as investors, we find it helpful to be able to evaluate companies’ assessments of their emissions across their value chain, or scope 3 emissions, where appropriate, and efforts to reduce them over time. A growing number of companies

have started disclosing scope 3 emissions estimates, which provide important insight into the full carbon component of companies' goods and services. This further allows investors to evaluate the long-term risks and resilience of companies' value chains. However, we recognize that the methodology, accounting, assurance, and regulatory landscape for scope 3 emissions is complex, varied, and still evolving. Double counting is also a legitimate concern. Accordingly, we understand that the scope 3 disclosures that companies are able to make at this time will necessarily be on a good faith and best-efforts basis. Further information can be found via the following link: <https://www.blackrock.com/corporate/insights/investment-stewardship#vote-bulletins>

Where voted against the company, was this communicated:

We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our 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 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. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.

Rationale:

BIS did not consider it in the financial interests of our clients to support this shareholder proposal. As discussed above, in our assessment of their Energy Transition Strategy, the company is addressing the risks and opportunities in their business model stemming from a low carbon transition and has demonstrated that they are delivering against their stated plan.

Implication:

From the shareholder proposal's supporting statement, it appears that the proponent is requesting that the company set an absolute reduction target for their scope 3 GHG emissions. In our view, this is overly prescriptive and unduly constraining on management's decision making. Adhering to the proponent's ask would require Shell to reduce product sales or alter their business composition, which could impact the company's financial strength and unduly constrain management. For those reasons, BIS determined that the shareholder proposal was not aligned with the financial interest of shareholders. As a minority investor on behalf of our clients, BlackRock relies on the boards and management teams of companies to implement the strategies they deem most appropriate with the objective of delivering durable long-term financial returns.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Shell Plc	23/05/2023	0.24%	Approve the Shell Energy Transition Progress	For	Pass

Why the vote was deemed significant:

Vote Bulletin; BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients. Our vote bulletins can be found here: <https://www.blackrock.com/corporate/about-us/investment-stewardship#vote-bulletins>

Where voted against the company, was this communicated:

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Rationale:

Shell's current disclosure states that the company aims to reduce their scope 1 and 2 greenhouse gas (GHG) emissions by 50% by 2030 compared to 2016 levels on a net basis. By 2022, operational emissions had been reduced by 30%. In addition, in the past year, Shell has continued to deliver against their target to increase total capex spending on low- and zero-carbon energy. Last year, Shell spent \$3.5 billion of cash capital expenditure on renewables and energy solutions, of which \$2.9 billion was on low carbon energy solutions, up from \$2.4 billion spent on renewables and energy solutions in 2021, within which \$1.8 billion was spent on low carbon energy solutions. Shell also acquired Sprng Energy, one of India's leading renewable power platforms, and has agreed to acquire Nature Energy, the largest producer of renewable natural gas in Europe, representing an investment of around \$3.5 billion in new businesses to support their objective to deliver on Shell's Powering Progress strategy. This will increase the company's renewables capacity in operation and enable the company to develop low- and zero-carbon alternatives to traditional fuels.

Implication:

Overall, Shell has and continues to provide a clear assessment of their plans to manage climate-related risks and opportunities and has demonstrated continued delivery against their Energy Transition Strategy. Given that the speed and shape of a low carbon transition are unclear, company disclosures that include scenario analysis and provide context on the transition plan and targets, help investors' understanding of company-specific risks and opportunities. In our view, Shell's reporting and approach are aligned with our clients' long-term financial interests; therefore, we supported the management resolution.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Amazon.com, Inc.	24/05/2023	0.18%	Commission Third Party Assessment on Company's Commitment to	Against	Fail

			Freedom of Association and Collective Bargaining		
Why the vote was deemed significant:					
<p>Vote Bulletin; BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients. Our vote bulletins can be found here: https://www.blackrock.com/corporate/about-us/investment-stewardship#vote-bulletins</p>					
Where voted against the company, was this communicated:					
<p>We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our 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 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. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.</p>					
Rationale:					
<p>The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.</p>					
Implication:					
<p>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.</p>					
Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Alphabet Inc.	02/06/2023	0.20%	Approve Recapitalization Plan for all Stock to Have One-vote per Share	For	Fail
Why the vote was deemed significant:					
<p>Vote Bulletin; BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients. Our vote</p>					

bulletins can be found here: <https://www.blackrock.com/corporate/about-us/investment-stewardship#vote-bulletins>

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Rationale:

We believe that one vote per share is in the best interest of long term shareholders.

Implication:

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.

Baillie Gifford – Multi Asset Growth Fund

Voting Information

Trustee Directors of the Arkema Bostik Defined Benefit Pension Scheme

The manager voted on 91.5% of resolutions of which they were eligible out of 517 eligible votes.

Investment Manager Client Consultation Policy on Voting

All voting decisions are made by our ESG team in conjunction with investment managers. We do not regularly engage with clients prior to submitting votes, however if a segregated client has a specific view on a vote then we will engage with them on this. If a vote is particularly contentious, we may reach out to clients prior to voting to advise them of this or request them to recall any stock on loan.

Investment Manager Process to determine how to Vote

Thoughtful voting of our clients’ holdings is an integral part of our commitment to stewardship. We believe that voting should be investment led, because how we vote is an important part of the long-term investment process,

which is why our strong preference is to be given this responsibility by our clients. The ability to vote our clients' shares also strengthens our position when engaging with investee companies. Our ESG team oversees our voting analysis and execution in conjunction with our investment managers. Unlike many of our peers, we do not outsource any part of the responsibility for voting to third-party suppliers. We utilise research from proxy advisers for information only. Baillie Gifford analyses all meetings in-house in line with our ESG Principles and Guidelines and we endeavour to vote every one of our clients' holdings in all markets.

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

- Baillie Gifford's holding had a material impact on the outcome of the meeting
- Management resolutions that receive 20 per cent or more opposition in the prior year
 - Egregious remuneration
 - Controversial equity issuance
- Shareholder resolutions that received 20 per cent or more support from shareholders in the prior year
 - Where there has been a significant audit failing
 - Mergers and acquisitions
 - Where we have opposed the financial statements/annual report
 - Where we have opposed the election of directors and executives
- Where we identify material 'E' 'S' or 'G' issues that result in Baillie Gifford opposing management

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

Whilst we are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), we do not delegate or outsource any of our stewardship activities or follow or rely upon their recommendations when deciding how to vote on our clients' shares. All client voting decisions are made in-house. We vote in line with our in-house policy and not with the proxy voting providers' policies. We also have specialist proxy advisers in the Chinese and Indian markets to provide us with more nuanced market specific information.

Top 5 Significant Votes during the Period

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
NEXTERA ENERGY, INC.	18/05/2023	0.07%	Remuneration	Against	Pass

Why the vote was deemed significant:

This resolution is significant because it received greater than 20% opposition.

Where voted against the company, was this communicated:

Yes.

Rationale:

We opposed the advisory vote on compensation because the performance metrics allow for vesting to begin below median, which we do not find sufficiently stretching.

Implication:

Last year we asked for clarification on whether the annual bonus begins vesting below median. The company confirmed this was the case, and we noted that we generally do not find vesting below median sufficiently stretching. We opposed the advisory vote on compensation this year, and will continue to communicate our expectations regarding this to the company.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
AMERICAN TOWER CORPORATION	24/05/2023	0.29%	Appoint/Pay Auditors	Against	Pass

Why the vote was deemed significant:

This resolution is significant because we opposed the election of auditors.

Where voted against the company, was this communicated:

Yes.

Rationale:

We opposed the ratification of the auditor because of the length of tenure. We believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.

Implication:

Although not a regulatory requirement in the U.S., we consider it best practice for the auditor to rotate at least every 20 years in order to maintain independence. We asked about plans to tender last year but did not receive a response. This year we decided to escalate our voting action to oppose the auditor and will continue to share our expectations with the company.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
REXFORD INDUSTRIAL REALTY, INC.	05/06/2023	0.92%	Remuneration	Against	Pass

Why the vote was deemed significant:

This resolution is significant because we opposed remuneration.

Where voted against the company, was this communicated:

No.

Rationale:

We opposed the executive compensation policy as we do not believe the performance conditions are sufficiently stretching.

Implication:

Following the AGM we contacted the company to explain our decision to oppose compensation for the second year in a row. This is due to concerns with the stringency of the performance targets which allow for payout when underperforming the chosen benchmark on total shareholder return. We asked for them to increase the stringency of their targets. We have not yet had a response from the company but will monitor any changes.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
MONTEA NV	25/01/2024	0.21%	Routine Business	For	Pass

Why the vote was deemed significant:

This resolution is significant because it received greater than 20% opposition.

Where voted against the company, was this communicated:

N/A.

Rationale:

We supported two proposals which related to the renewal of the authorisation to increase share capital. We believe it is in the interest of shareholders for the company to have unfettered access to equity to enable them to exploit the current window of opportunity of external growth.

Implication:

The company sought our opinions ahead of the shareholder meeting. We were supportive of their request for capital as it puts them into a good position to exploit the current window of opportunity for external growth.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
MONTEA NV	25/01/2024	0.21%	Amendment of Share Capital	For	Pass

Why the vote was deemed significant:

This resolution is significant because it received greater than 20% opposition.

Where voted against the company, was this communicated:

N/A.

Rationale:

We supported two proposals which related to the renewal of the authorisation to increase share capital. We believe it is in the interest of shareholders for the company to have unfettered access to equity to enable them to exploit the current window of opportunity of external growth.

Implication:

The company sought our opinions ahead of the shareholder meeting. We were supportive of their request for capital as it puts them into a good position to exploit the current window of opportunity for external growth.