

# Crystal Martin Group Pension Fund and Life Assurance Scheme (‘the Scheme’)

SIP Implementation Statement for the Year Ended  
30 June 2024

27 January 2025



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# Section 1

## Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustee has been followed during the year running from 1 July 2023 to 30 June 2024 (the “Scheme Year”). This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the statutory guidance on reporting on stewardship in the implementation statement dated 17 June 2022.

The statement is based on, and should be read in conjunction with, the SIP that was in place for the Scheme Year, which was the SIP dated 22 February 2022.

Sections 2.1 and 2.2 of this statement set out the investment objectives of the Scheme and changes, if any, which have been made to the SIP during the Scheme Year, respectively.

Section 2.3 of this statement sets out how, and the extent to which, the policies in the Defined Benefit (“DB”) Section and Defined Contribution (“DC”) Section of the SIP have been followed.

A copy of the SIP is available at :

<http://www.cmids.co.uk/Crystal%20Martin%20Statement%20of%20Investment%20Principles%20February%202022.pdf>.

Sections 3 and 4 include information on the engagement and key voting activities of the underlying investment manager within each Section of the Scheme.

# Section 2

## Statement of Investment Principles

### 2.1 Investment Objectives of the Scheme

The Trustee believes it is important to consider the policies in place in the context of the objectives it has set.

#### DB Section

The Trustee's primary investment objective is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.

In order for the Trustee to ensure that it can meet its obligations to the beneficiaries, both in the short and long term, without recourse to the Company, the Trustee has entered into a Bulk Purchase Annuity (BPA) with Legal and General Assurance Society Limited (LGAS). The policy has not been structured with expected return in mind, but instead aims to exactly match the Scheme's benefit obligations.

#### DC Section

For the DC section of the Scheme, the Trustee's main objective is to provide suitable investment options that are aligned to the needs of the Scheme's members. In particular, to:

- Provide a lifestyle strategy as a default option, which aims to provide long-term investment growth to build up a savings pot which will be used in retirement, before transitioning to investments that are appropriate to the form of the benefits which members are expected to take at retirement, and
- Offer a range of self-select funds across asset classes.

### 2.2 Review of the SIP

During the year, the Trustee did not amend the Scheme's SIP, and the SIP dated 22 February 2022 remains in force. The Trustee has commenced a process to review the SIP and information about the updated SIP will be provided in next year's statement (should such a statement be required at that time).

### 2.3 Assessment of how the policies in the SIP have been followed for the Scheme Year

The information which follows in the remainder of this section highlights the work undertaken by the Trustee during the year, and sets out how this work followed the Trustee's policies in the SIP (dated 22 February 2022), relating to both the DB Section and DC Section of the Scheme.

In summary, except for not undertaking an investment strategy review for the DC default strategy, all policies in the SIP have been followed in the Scheme Year. More explanation on this is provided below.

# Investment Mandates

## Securing compliance with the legal requirements about choosing investments

### Policy

As required by legislation, the Trustee consults a suitably qualified person when making investment selections by obtaining written advice from its investment consultant. The policy is detailed in Section 2.2 and 2.3 of the SIP, which applies to the DB and DC Sections of the Scheme.

DB	DC
<p><b>How has this policy been met over the Scheme Year?</b></p> <p>This policy has been met as the assets are invested in a BPA with LGAS and there were no changes over the Scheme Year.</p>	<p><b>How has this policy been met over the Scheme Year?</b></p> <p>There were no investment selections required, with no changes to the default strategy or the fund range over the Scheme Year.</p> <p>The DC Section's investment strategy has not been reviewed since October 2019. This is because the recent focus of the Trustee has been the discharge of the Scheme's DB assets to LGAS and DC assets to Legal and General's Master Trust. This was anticipated to have been completed by June 2023.</p> <p>Whilst a formal review has not been undertaken over the Scheme Year, the Trustee has continued to regularly monitor the investments to ensure that the investment strategy remains suitable.</p> <p>Due to the delay to the discharge of assets, the Trustee will be undertaking a review of the default lifestyle strategy in 2025.</p>

# Realisation of Investments

## Policy

The Trustee's administrators will realise assets within the DC Section following member requests on retirement or earlier where required. As detailed in the SIP, the Trustee considers the liquidity of the investments in the context of the likely needs of members.

DB	DC
<p><b>Policy</b></p> <p>Further details are set out in the following sections of the SIP:</p> <ul style="list-style-type: none"><li>• Objectives and Policy (SIP Section 3)</li></ul> <p><b>How has this policy been met over the Scheme Year?</b></p> <p>There have been no changes to the investments over the Scheme Year.</p> <p>LGAS is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority, and is registered in the United Kingdom.</p> <p>The BPA is not realisable, but has made the required contractual payments to the Scheme to enable benefit payments to be made to the Scheme's members over the Scheme Year.</p>	<p><b>Policy</b></p> <p>Further details are set out in the following sections of the SIP:</p> <ul style="list-style-type: none"><li>• Investment Objectives and Policy (SIP Section 3)</li><li>• Default Strategy Policy (SIP Appendix 1)</li></ul> <p><b>How has this policy been met over the Scheme Year?</b></p> <p>The Trustee reviews an administration report from Aegon as part of its Value for Members assessment and production of the annual Chair's Statement to confirm that core financial transactions are processed within Service Level Agreements and regulatory timelines.</p> <p>As confirmed in the Chair's Statement, the Trustee is satisfied that all requirements were met throughout the year.</p> <p>The Trustee recognises that there is a risk in holding assets that cannot be easily realised should the need arise. To avoid this, all funds used by the DC Section are daily dealing pooled investment vehicles, accessed by the Aegon platform and have been fully realisable based on member demand over the Scheme Year.</p> <p>There were no liquidity concerns arising in respect of the DC Section's investment fund holdings over the Scheme Year.</p>

# Environmental, Social and Governance (“ESG”)

## Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments

### Policy

This policy is set out in Sections 4.4, 4.5 and 4.6 of the SIP.

DB	DC
<p><b>How has this policy been met over the Scheme Year?</b></p> <p>This policy has been met as the assets are invested in a BPA with LGAS and there were no changes over the Scheme Year.</p>	<p><b>How has this policy been met over the Scheme Year?</b></p> <p>No changes have been made to the Scheme’s investment funds over the year, and therefore no consideration of ESG matters has been required in relation to prospective funds.</p> <p>Mercer’s ESG ratings of the funds invested in, where available, are considered as part of the annual Value for Members Assessment in respect of the DC Section.</p> <p>The Trustee has delegated responsibility for the selection, retention, and realisation of investments to its investment manager and accordingly, the Trustee seeks to manage the risks and opportunities associated with these ESG factors by selecting industry leaders in investment management who are committed to the Principles for Responsible Investment (“UNPRI”) (as they apply to the sector in which the manager invests or the strategy pursued by the manager) and against criteria which include ESG considerations. ESG and the level of integration will differ across asset classes and by investment manager.</p> <p>The Trustee notes that BlackRock (the underlying investment manager for the assets held on the Aegon DC platform) has been a signatory to the UNPRI since 2008, and to the UK Stewardship Code since 2021.</p> <p>No formal review of ESG considerations has been undertaken over the Scheme Year, but the Trustee will be undertaking a review of investment strategy during 2025, as part of which further consideration will be given to ESG issues.</p> <p>In accordance with policy, non-financial matters have not been taken into account in the Scheme’s investment approach. In practice, no members have expressed views on non-financial investment matters to the Trustee.</p>

# Voting and Engagement Disclosures

**The exercise of the rights (including voting rights) attaching to the investments and undertaking engagement activities in respect of the investments** (including the methods by which, and the circumstances under which, the Trustee would monitor and engage with relevant persons about relevant matters).

## Policy

The Trustee's policy is set out in Section 4.6 of the SIP.

DB	DC
<p><b>How has this policy been met over the Scheme Year?</b></p> <p>This policy has been met as the Trustee has not been invited to vote on a matter relating to corporate policy.</p> <p>The assets are invested in a BPA with LGAS and the Trustee has no voting rights, and very limited, if any, ability to influence the approach taken by LGAS. In accordance with the policy, the Trustee has therefore delegated responsibility for engaging with, monitoring investee companies and exercising voting rights to LGAS.</p>	<p><b>How has this policy been met over the Scheme Year?</b></p> <p>This policy has been met as the Trustee has not been invited to vote on a matter relating to corporate policy.</p> <p>In accordance with the policy, the Trustee has delegated responsibility for engaging with, monitoring investee companies and exercising voting rights to the pooled fund investment manager, BlackRock.</p> <p>Information on BlackRock's engagement and voting with investee companies is included in Sections 3 and 4 of this statement.</p>

# Monitoring the Investment Manager

## Incentivising asset managers to align their investment strategies and decisions with the Trustee's policies

### Policy

The Trustee's policy is set out in Section 2.3 of the SIP, which applies to the DB and DC Sections of the Scheme.

DB	DC
<p><b>How has this policy been met over the Scheme Year?</b></p> <p>This is no longer relevant following the BPA with LGAS.</p>	<p><b>How has this policy been met over the Scheme Year?</b></p> <p>This policy has been followed as the Scheme only invests in pooled funds and the Trustee therefore cannot specify the risk profile and return targets of the manager, but pooled funds are chosen with appropriate characteristics to align with the overall investment strategy.</p> <p>There have been no changes to the pooled funds over the year, and the Trustee is satisfied that they remain appropriately aligned with the Scheme's investment strategy and that the ad-valorem charges for the different underlying funds are clear and are consistent with each fund's stated characteristics.</p> <p>Review of Aegon's quarterly investment reports enables the Trustee to check that performance is consistent with each fund's stated objectives.</p>

## Evaluation of asset managers' performance

### Policy

The Trustee's policy is set out in Section 6 of the SIP, which applies to the DB and DC Sections of the Scheme.

DB	DC
<p><b>How has this policy been met over the Scheme Year?</b></p> <p>The policy has been met as with the securing of a BPA, there is no investment performance to monitor.</p>	<p><b>How has this policy been met over the Scheme Year?</b></p> <p>The policy has been met as the quarterly performance of each of the funds in which members are invested, including those used in the default lifestyle strategy, was provided by Aegon and reviewed by the Trustee. This included performance for the funds against their benchmarks over 3 months, 12 months and 3 years.</p>

DB

DC

The Trustee was satisfied that performance was consistent with expectations, given underlying market conditions, and no changes were made to the investments over the Scheme Year.

## Monitoring portfolio turnover costs

### Policy

The Trustee's policy is set out in Section 6.3 of the SIP.

DB

DC

**How has this policy been met over the Scheme Year?**

This is no longer relevant following the BPA with LGAS.

**How has this policy been met over the Scheme Year?**

This policy has been met as portfolio turnover costs over the year to 30 June 2024 were reviewed by the Trustee as part of its annual Value for Members assessment.

There is no industry peer group comparator available to carry out a comparative assessment of the transaction costs incurred. However, the Trustee and its investment advisers view the level of transaction costs incurred as acceptable in the context of the funds' objectives and the asset classes invested in.

## The duration of the arrangements with asset managers

### Policy

The Trustee is a long-term investor and does not seek to change the investment arrangements on a frequent basis. Further details of the Trustee's policy are set out in Section 2.3 of the SIP.

DB

DC

**How has this policy been met over the Scheme Year?**

This policy has been met as the assets are invested in a BPA with LGAS and there were no changes over the Scheme Year.

**How has this policy been met over the Scheme Year?**

The Trustee is a long-term investor, and does not appoint managers with a view to changing investment arrangements on a frequent basis. All the Scheme's funds are open-ended with no set end date for the arrangement. Furthermore, there were no changes to the default strategy or the fund range over the Scheme Year.

# Strategic Asset Allocation

## Kinds of investments to be held, the balance between different kinds of investments and expected return on investments

DB	DC
<p><b>Policy</b></p> <p>The Trustee's policy on the kinds of investments to be held and the balance between different kinds of investments can be found under the following sections of the SIP:</p> <ul style="list-style-type: none"><li>Investment Objectives (SIP Section 3)</li><li>Investment Strategy (SIP Section 4)</li></ul> <p><b>How has this policy been met over the Scheme Year?</b></p> <p>This policy has been met as the assets are invested in a BPA with LGAS and there were no changes over the Scheme Year.</p>	<p><b>Policy</b></p> <p>The Trustee's policy on the kind of investments to be held and the balance between different kinds of investments can be found under the following sections of the SIP:</p> <ul style="list-style-type: none"><li>Investment Objectives (SIP Section 3)</li><li>Investment Strategy (SIP Section 4)</li><li>Default Investment Strategy (SIP Appendix 1)</li></ul> <p><b>How has this policy been met over the Scheme Year?</b></p> <p>For the DC Section of the Scheme, there was no formal review of the investment strategy and no changes were implemented over the year.</p> <p>There were no changes to the default strategy or the fund range over the Scheme Year, and the Trustee is satisfied that the current investment approach and the range of options available to members remains appropriate at the current time and in line with its policy around the types of investments held.</p> <p>The Trustee will undertake a review of investment strategy during 2025.</p>

## Risks, including the ways in which risk are to be measured and managed

### Policy

The Trustee recognises a number of risks involved in the investment of the assets of the Scheme, and that the choice and allocation of investments can help to mitigate these risks. Details of these risks and how they are measured and managed can be found under Section 5 of the SIP.

DB	DC
<p><b>How has this policy been met over the Scheme Year?</b></p> <p>The Trustee is satisfied that over the Scheme Year the risks have been managed in accordance with their policies, and note in particular that the BPA with LGAS</p>	<p><b>How has this policy been met over the Scheme Year?</b></p> <p>The Trustee is satisfied that the default lifestyle strategy, together with the range of funds available for members to invest in, address the key investment risks identified</p>

## DB

ensures that members' benefits will be paid in full without reliance on the long term covenant of the Company.

## DC

in the SIP; investment return risk, volatility risk, pension conversion risk, lump sum risk, market switching risk, inflation risk and annuity-rate risk. In particular:

- The use of the lifestyle strategy has helped to protect members against potential changes in investment markets and lifestyling to cash at Normal Retirement Age helps to minimise lump sum risk.
- The use of monthly switching in the lifestyle strategy helped to protect members against market switching risk.

The Trustee uses the quarterly performance monitoring provided by Aegon, to check that the investment performance is in accordance with expectations and therefore contributing to the management of the key risks identified.

# Section 3

## Engagement Activity by the Scheme's Investment Manager

The following is a summary of engagement activity undertaken by BlackRock, which manages all the DC Section's investment funds. It shows that BlackRock engaged with a large number of investee companies, both in total and in relation to climate change and carbon neutrality, which is the Trustee's stewardship priority. "Significant engagements" relate to interventions on climate change and carbon neutrality.

Fund	Total Engagements	Significant Engagements
Dynamic Allocation Fund	3,015	1,002
60/40 Global Equity Index Tracker Fund	3,036	1,033
50/50 Global Equity Index Fund	3,036	1,033
50/50 Global Growth Fund	*	*
American Flexible Equity Fund	100	40

Source: BlackRock

\* at the time of drafting the Trustee has been unable to obtain this information.

# Section 4

## Voting Activity during the Scheme year

### DB

If the Trustee is specifically invited to vote on a matter relating to the corporate policy, it would exercise its right in accordance with what it believes to be in the best interests of the majority of the Scheme's members.

Over the Scheme Year, the Trustee has not been asked to vote on any specific matters and therefore has not cast any votes.

No voting information is relevant in relation to the BPA with LGAs.

### DC

If the Trustee is specifically invited to vote on a matter relating to the corporate policy, it would exercise its right in accordance with what it believes to be in the best interests of the majority of the Scheme's members.

Over the Scheme Year, the Trustee has not been asked to vote on any specific matters and therefore has not cast any votes.

The Scheme's assets are invested in BlackRock funds via the Aegon platform. The Trustee therefore has no direct relationship with the pooled funds the Scheme is ultimately invested in, and therefore the Trustee has no voting rights in relation to the Scheme's investments and no direct ability to influence the investment manager of the pooled funds. As a result, the Trustee does not directly use the services of a proxy voter as this is not relevant.

The table below sets out a summary of the key voting activity over the financial year of the pooled funds in which the Scheme's assets are ultimately invested, for which voting is possible (i.e., those funds which include equity holdings). Also set out below is information on what BlackRock consider to be a significant vote. The Trustee has no influence on this definition of significant votes.

Although the pooled fund investment manager ultimately holds voting rights on behalf of the Trustee, the Trustee may not necessarily agree with how the manager votes on specific issues. The Trustee considers Mercer's ESG ratings for the manager as part of investment strategy reviews and would also consider Mercer's ESG ratings as part of the process of selecting new pooled funds.

The Trustee has identified that climate change and carbon neutrality is its most important stewardship priority and therefore determined that votes in relation to this subject are most significant.

The table shows those votes supplied by the investment manager which the Trustee determines to be a significant vote – i.e. those that are in relation to climate change and carbon neutrality.

Fund	Voting information	Significant votes*
<b>Dynamic Allocation Fund</b>	<p><b>Votes in total:</b> 58,195 resolutions eligible for (93% votes cast)  <b>Votes against management endorsement:</b> 6% of votes cast  <b>Abstentions:</b> 1% of votes cast</p>	<p><b>National Australia Bank Limited</b>  <b>Shareholder Resolution</b> - "Approve Transition Plan Assessments"  <b>Date of vote:</b> 15 December 2023  <b>Size of holding:</b> Not provided  <b>Voting:</b> Against Resolution  <b>Manager Rationale:</b> "The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company. The company already has policies in place to address the request being made by the proposal, or is already enhancing its relevant policies."  <b>Vote Outcome:</b> Resolution withdrawn</p>
<b>60/40 Global Equity Index Tracker Fund</b>	<p><b>Votes in total:</b> 35,522 resolutions eligible for (95% votes cast)  <b>Votes against management endorsement:</b> 4% of votes cast  <b>Abstentions:</b> 0% of votes cast</p>	<p><b>National Australia Bank Limited</b> – as above  <b>Westpac Banking Corp.</b>  <b>Shareholder Resolution</b> - "Approve Transition Plan Assessments"  <b>Date of vote:</b> 14 December 2023  <b>Size of holding:</b> Not provided  <b>Voting:</b> Against Resolution  <b>Manager Rationale:</b> "The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company. The company already has policies in place to address the request being made by the proposal, or is already enhancing its relevant policies."  <b>Vote Outcome:</b> Resolution withdrawn</p>
<b>50/50 Global Equity Index Fund</b>	<p><b>Votes in total:</b> 35,912 resolutions eligible for (95% votes cast)  <b>Votes against management endorsement:</b> 4% of votes cast  <b>Abstentions:</b> 0% of votes cast</p>	<p><b>National Australia Bank Limited</b> – as above  <b>Westpac Banking Corp.</b> – as above</p>
<b>50/50 Global Growth Fund</b>	<p><b>Votes in total:</b> 5,756 resolutions eligible for (97% votes cast)  <b>Votes against management endorsement:</b> 3% of votes cast  <b>Abstentions:</b> 0% of votes cast</p>	<p><b>National Australia Bank Limited</b> – as above</p>
<b>American Flexible Equity Fund</b>	<p><b>Votes in total:</b> 808 resolutions eligible for (100% votes cast)  <b>Votes against management endorsement:</b> 2% of votes cast  <b>Abstentions:</b> 0% of votes cast</p>	<p><b>Berkshire Hathaway Inc.</b>  <b>Shareholder Resolution</b> - "Disclose BHE's Emissions and Progress Towards Goal in Consolidated Report"  <b>Date of vote:</b> 4 May 2024  <b>Size of holding:</b> Not provided  <b>Voting:</b> For Resolution  <b>Manager Rationale:</b> "Additional information regarding the company's plan to manage their strategy in the context of a transition to a low-carbon economy will help investors assess long-term risks and opportunities on this economically material issue."  <b>Vote Outcome:</b> Resolution failed</p> <p><b>Shell Plc</b>  <b>Shareholder Resolution</b> - "Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement"  <b>Date of vote:</b> 21 May 2024  <b>Size of holding:</b> Not provided  <b>Voting:</b> Against Resolution  <b>Manager Rationale:</b> "The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company."  <b>Vote Outcome:</b> Resolution failed</p> <p><b>Amazon.com, Inc.</b>  <b>Manager Resolution</b> - "Report on Efforts to Reduce Plastic Use"  <b>Date of vote:</b> 22 May 2024</p>

Fund	Voting information	Significant votes*
		<p><b>Size of holding:</b> Not provided  <b>Voting:</b> Against Resolution  <b>Manager Rationale:</b> The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.  <b>Vote Outcome:</b> Resolution failed</p> <hr/> <p><b>Shell Plc</b>  <b>Manager Resolution -</b> “Approve the Shell Energy Transition Strategy”  <b>Date of vote:</b> 21 May 2024  <b>Size of holding:</b> Not provided  <b>Voting:</b> For Resolution  <b>Manager Rationale:</b> Not provided  <b>Vote Outcome:</b> Resolution passed</p>

Note: The information in the table has been provided by BlackRock and covers 12 months to 30 June 2024.

\* All are considered significant because they relate to climate change and carbon neutrality

## Information on voting processes provided by BlackRock

### *BlackRock’s proxy voting process:*

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

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

### *Determination of Significant Votes:*

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

BlackRock periodically publish “vote bulletins” setting out detailed explanations of key votes relating to governance, strategic and sustainability issues that we consider, based on their Global Principles and Engagement Priorities, material to a company’s sustainable long-term financial performance. These bulletins are intended to explain their vote decision, including the analysis underpinning it and relevant engagement history when applicable, where the issues involved are likely to be high-profile and therefore of interest to clients and other stakeholders, and potentially represent a material risk to the investment they undertake on behalf of clients. They make this

information public shortly after the shareholder meeting, so clients and others can be aware of their vote determination when it is most relevant to them. They consider these vote bulletins to contain explanations of the most significant votes for the purposes of evolving regulatory requirements.

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

*Where voting against management, did you communicate your intent to the company ahead of the vote?*

BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. BlackRock publish their voting guidelines to help clients and companies understand their thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which BlackRock assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. They apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant.

*Implications of the outcome of voting, e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?*

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