BlackRock.

Investment Stewardship Group

Voting Bulletin: Uniper SE

As part of our fiduciary duty, BlackRock's Investment Stewardship team (BIS) advocates for sound corporate governance and business practices that are aligned with long-term sustainable financial performance. This objective underpins all our engagements and votes at company meetings.

We engage company leadership on key topics emphasizing governance practices including management of environmental and social factors that potentially have material economic, operational or reputational ramifications for the company.

We determine our engagement priorities based on our observation of market developments and emerging governance themes, and evolve them year over year as necessary. The BIS team's key engagement priorities include:

1. Board quality
2. Environmental risks and opportunities
3. Corporate strategy and capital allocation
4. Compensation that promotes long-termism
5. Human capital management

We are committed to enhancing the transparency of our stewardship practices. Where we believe it will help to understand our voting decisions at shareholder meetings, we will publish a Voting Bulletin explaining the rationale for how we have voted on select resolutions, and (where relevant) provide information around our engagement with the issuer.

Company	**Uniper SE**
Market	Germany
Meeting Date	20th May 2020
Key Resolutions	**Item 6:** Approve Discharge of Supervisory Board for Fiscal 2019 **Item 8.2:** Elect Bernhard Guenther to the Supervisory Board
Board Recommendation	**Item 6:** FOR **Item 8.2:** FOR
BlackRock Vote	BIS voted AGAINST the approval of the Discharge of Supervisory Board for Fiscal 2019 for the company's lack of progress on climate-related reporting in alignment with the TCFD recommendations. BIS voted AGAINST the election of Bernhard Guenther for being over committed in respect of other responsibilities at public companies.

Overview

BlackRock has been advocating for enhanced company disclosure of material environmental and social risks for several years. We assess company actions and disclosures in tandem with our direct engagements with company leadership to ascertain whether they are properly managing and overseeing material risks within their business and adequately planning for the future.

As we describe in our commentaries on our Approach to Engagement on Climate Risk and Emissions, Engagement, and Transition to a Low-Carbon Economy, we believe better disclosures will contribute to improved market-level data, better engagements with shareholders, and more informed voting decisions aligned with long-term value creation.

In our engagements with companies on managing climate-related risks and opportunities and adapting to the energy transition, we are mindful of both the need for an acceleration of the market's approach to disclosure, and the challenges inherent to that task. We recognize that producing comprehensive disclosures requires a significant investment in resources and time on the part of a company. We also recognize that each company is unique, starting from its own baseline, with its own capacities and limitations. We seek to achieve a balance between recognizing a company's current position, while encouraging the appropriate urgency in advancing reporting and the practices underlying it.

Climate Risk

Uniper SE ("Uniper") is a Germany-based energy generation and energy trading company controlled by Fortum Oyj (70%), a Finnish utility.

As a fiduciary on behalf of our clients, BIS has engaged with Uniper over the past several years on a range of governance and material sustainability topics, including climate-related disclosures. In November 2017, we wrote a letter to Uniper's Chairman of the Management board and Chairman of the Supervisory board asking the company to closely review the Task Force on Climate-related Financial Disclosures (TCFD) framework and to consider reporting in alignment with its recommendations.[1]

Uniper has recently strengthened its commitments to address climate-related risks. The company has a clear timetable for decommissioning 80% of its coal-fired power plants in Germany by 2050 and aims to reach carbon-neutrality in its power generation business in Europe by 2035.[2] Moreover, the company has laid out a plan for investing roughly €1.2 billion in new growth projects focused on low-carbon energy between 2020 and 2022.

Despite these new commitments,[3] the company has made insufficient progress to date on evolving its climate-related disclosures. Uniper's brief reference of the TCFD framework in the Annual Report 2019, which is identical to the company's statement in the preceding Annual Report 2018, simply explains that the benefits of TCFD disclosures are still under review by the company. We do not believe that this demonstrates sufficient progress towards aligning its climate-related disclosure with the TCFD recommendations. The company's disclosure on climate risk falls short of our expectation of large carbon emitters with a previous history of engagement with BIS on the topic.

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[1] In Q4 2017, we sent letters to the CEOs and General Counsels at over 100 of the most carbon-intensive companies globally in BlackRock's equity portfolio. We asked them to review the TCFD's recommendations and consider reporting in alignment with them, and to engage with us so we can better understand the changes in reporting that might be necessary for them to achieve alignment and any obstacles the company anticipates.

[2] https://www.uniper.energy/news/uniper-surpasses-2019-financial-targets-and-aims-for-climate-neutral-power-generation-in-europe-by-2035/ .

3 Plan to exit coal-fired power generation in Germany to the company's transformation into a climate-friendlier energy provider published in January 2020 and ambition for climate-neutral power generation in Europe published in March 2020.

Rationale for BlackRock vote

Item 6: Approve Discharge of Supervisory Board for Fiscal 2019 (AGAINST)

In line with our approach of holding directors accountable when a company is not effectively addressing a material risk, we voted against the discharge of the Supervisory Board for lack of progress in relation to climate-risk reporting.

Our policy would have been to vote against the re-election of the members of the board committee that oversees sustainability and/or disclosure or the most senior non-executive director. However, on the back of the completion of Fortum's takeover, the Chairman of the Supervisory Board and the independent board members all resigned and stepped down from the board in April 2020.[4]

The only directors on the ballot this year are new independent directors and Fortum's representatives; therefore, the most appropriate way to hold the board accountable is to vote against the discharge of the Supervisory board members for 2019.

Item 8.2: Elect Bernhard Guenther to the Supervisory Board (AGAINST)

BIS voted AGAINST the election of Bernhard Guenther for being over committed in respect of other responsibilities at public companies.

As the role of director is becoming increasingly demanding, directors must be able to commit an appropriate amount of time to board and committee matters. Given the nature of the role, it is important a director has flexibility for unforeseen events and therefore only takes on the number of non-executive mandates that provides this flexibility.

Consistent with our proxy voting guidelines, we consider that serving as a non-executive director on more than one public company board while also serving as an executive officer elsewhere is a cause for concern.

Therefore, we voted against the election of Bernhard Peter Guenther - Executive Officer (CFO) at Innogy SE and non-executive director at ThyssenKrupp AG and Uniper SE.

BIS voted in favor of all other management proposals.

We will continue to engage with the company on its governance practices and reporting on material factors that may impact long-term shareholder value. Absent progress on climate-related disclosures in alignment with the TCFD recommendations, we will signal our concerns by voting against those Supervisory Board members who have had responsibility for such oversight.

[4] http://irpages2.eqs.com/websites/uniperag/English/15/news-detail.html?newsID=1939553.