



BlackRock[®]

BlackRock Investment Stewardship Annual Report

January 1 – December 31, 2025



Overview and scope of this report

This report covers BlackRock Investment Stewardship's (BIS) activities from January 1 through December 31, 2025. BlackRock's stewardship policies are developed and implemented separately by two independent, specialist teams, BIS and BlackRock Active Investment Stewardship (BAIS). While the two teams operate independently, their general approach is grounded in widely recognized norms of corporate governance and shareholder rights and responsibilities.

BIS is a dedicated function within BlackRock that is responsible for stewardship activities in relation to clients' assets invested in index equity strategies. BAIS partners with BlackRock's active investment teams in relation to their holdings.

In addition to BlackRock's stewardship policies, BlackRock offers two additional stewardship options to provide clients with more choice to meet their investment needs: BlackRock Voting Choice and the Climate and Decarbonization Stewardship program.

The information in this report is dated as of December 31, 2025, and currency is shown in USD, unless otherwise noted.

Information included in this report is subject to change without notice. As a result, subsequent reports and publications distributed may therefore include additional information, updates, and modifications, as appropriate. The information herein must not be relied upon as a forecast, research, or investment advice. BlackRock is not making any recommendation or soliciting any action based upon this information and nothing in this document should be construed as constituting an offer to sell, or a solicitation of any offer to buy, securities in any jurisdiction to any person. References to individual companies are for illustrative purposes only.

The publication of this report aligns with the timeline set by the UK's Financial Reporting Council (FRC) to comply with the 2026 UK Stewardship Code requirements. On March 18, 2026, the full report of BlackRock's stewardship activities – of which this report is an excerpt – was presented to the Nominating and Governance Committee (NGC) of the BlackRock, Inc. Board of Directors, prior to the submission to the FRC. As described in the [NGC Charter](#), the NGC has oversight over BlackRock's stewardship policies and significant publications and, per the New York Stock Exchange's listing requirements, is composed entirely of independent directors. For more information, visit BlackRock's stewardship webpage [here](#).

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Larry Fink

Chairman and Chief Executive Officer

Image courtesy of Jerry Goldberg and BlackRock.
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From our Chairman and CEO

As a fiduciary to our clients, BlackRock's role is to help them navigate the capital markets in pursuit of their financial objectives. For decades, we have worked to expand access to long-term investing in the belief that broader participation through retirement programs, pensions, and other savings plans strengthens markets and supports economic growth.

More than half of the assets BlackRock manages are on behalf of clients saving for retirement. For these investors, markets are not abstract; they are a pathway to long-term financial security measured over decades.

As participation in capital markets has broadened, so have client expectations. Investors increasingly seek whole-portfolio solutions that are diversified, cost-effective, and aligned with their goals. In index and active strategies, and across public and private markets, we act in our clients' long-term financial interests, seeking to deliver durable risk-adjusted returns and providing investment choices designed to meet their objectives.

Stewardship is a core function of our fiduciary responsibility. As long-term investors acting on behalf of our clients, we engage with companies to understand how boards and management teams oversee strategy, manage material risks, and allocate capital to sustain performance over time. We do this work with diligence and independent judgment, guided solely by our obligation to our clients and informed by our research and company engagements.

The vast majority of our clients delegate voting authority to BlackRock, entrusting us to act on their behalf. At the same time, through BlackRock Voting Choice — the industry's largest pass-through voting program — we have expanded opportunities for eligible clients to participate in how their shares are voted, should they choose to do so.

Investment stewardship is an important link between our clients and the public companies in which they are invested. As our investment platform continues to grow and evolve, we remain steadfast in our commitment to exercising this responsibility with rigor, independence, and a singular focus on delivering long-term value for our clients.

I am proud of what our stewardship teams accomplished this year, and I am pleased to share this report on their work.



Executive summary

About BlackRock

BlackRock's purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading provider of financial technology, we help millions of people build savings that serve them throughout their lives by making investing easier and more affordable.

Click here for additional information on BlackRock:

Learn More >

Our role as an asset manager

Fiduciary duty is a foundational principle at BlackRock. It means that, as an asset manager, we have an obligation to act in the best interests of our clients and to focus solely on their investment objectives.

We invest our clients' money according to their instructions and unique investment objectives. They choose how they would like their money invested; we provide them with access to the world's financial markets to achieve their investment objectives through simple, accessible, and cost-efficient investment solutions, risk management, research, data, and analytics. As of December 31, 2025, clients entrusted BlackRock with \$14 trillion of assets under management (AUM).¹

BlackRock's success is driven by our people and a strong corporate culture. With approximately 24,900 employees in more than 30 countries who serve clients in over 100 countries across the globe, BlackRock provides a broad range of investment management and technology and subscription services to institutional and retail clients worldwide.²

Our clients include public and private pension plans, insurers, endowments, universities, charities, family offices, wealth managers, and, ultimately, the individual investors they serve, many of whom are saving for retirement.

Our investment approach: client-led, choice-driven

Put simply, BlackRock works to help our clients' investments — more than half of which are for retirement — grow over time.³ How? We work to stay ahead of our clients' needs by providing them with a broad set of investment choices across stocks, bonds, cash, and private markets. This is backed by industry-leading insights and deep portfolio expertise which cut across regions, asset classes, and strategies — so that our clients can decide what investment strategy best aligns with their financial objectives.

Our investment approach is informed by three principles: **client choice, performance, and research.** The continued trust our clients place in us to manage their assets is at the center of everything we do. The section titled "Our investment approach" on page 15 exemplifies our focus on delivering the best risk-adjusted returns for clients in line with their investment objectives.

1. BlackRock, Inc. "[BlackRock's Q4 2025 Quarterly Results](#)." 2. BlackRock, Inc. "[Form 10-K](#)" for the fiscal year ended December 31, 2025. 3. BlackRock estimates based on AUM as of December 31, 2021, and Cerulli data as of 2020. ETF assets include only qualified assets based on Cerulli data, and assumes 9.5% of institutionally held ETFs are related to pensions or retirement. Institutional estimates includes assets defined as "related to retirement" and are based on products and clients with a specific retirement mandate (e.g., LifePath, pensions). Estimates for LatAm based on assets managed for LatAm Pension Fund clients, excluding cash.

About stewardship at BlackRock

At BlackRock, investment stewardship is core to our role as an asset manager and a fiduciary to our clients.

BlackRock (and its predecessor companies) has had a stewardship function for well over two decades. Our stewardship program is focused on advancing the long-term financial interests of our clients as investors in companies. As stewards of our clients' assets, we engage with companies and vote at shareholder meetings on behalf of clients who have delegated voting authority to us in a manner that is consistent with their investment objectives.¹

As a link between our clients and the public companies they are invested in, BlackRock offers a range of investment stewardship options to reflect clients' individual investment choices and goals.

Voting at a company's shareholder meeting is a right of share ownership and a core principle of corporate governance. As a fiduciary, BlackRock is legally required to make proxy voting determinations in a manner that is consistent with the investment objectives of clients who have delegated voting authority to us.

Setting, executing, and overseeing strategy is the responsibility of a company's management and its board. As one of many minority shareholders in public companies, BlackRock does not direct a company's strategy or its implementation, nor how they should manage material business risks. We do not view stewardship as a mechanism to directly seek outcomes related to economies and societies as a whole, which is the role of governments and policymakers. We may participate in industry-level discussions to further the dialogue on matters that could impact our clients' portfolios or to provide an increased understanding of our approach to stewardship.

BlackRock's stewardship program has four key pillars:

Engaging

We engage with the boards and management of companies to deepen our understanding of their business models, including how they are overseeing material business risks and opportunities.

Proxy voting

We vote at shareholder meetings on management and shareholder proposals for clients who have authorized us to do so.

Industry dialogue

We participate in industry dialogue on stewardship to share our perspectives on matters that may impact our clients' investments.

Reporting

We inform clients about our stewardship activities on their behalf through a range of publications on our website, as well as through direct client communications.

At BlackRock, investment stewardship is core to our role as an asset manager and a fiduciary to our clients. BlackRock offers a range of investment stewardship options to reflect clients' individual investment choices and goals.

¹ On February 11, 2025, the U.S. Securities and Exchange Commission (SEC) staff issued updated guidance for shareholders to maintain their eligibility to report their beneficial ownership under Schedule 13G of the Exchange Act. We comply fully with these requirements and do not engage with portfolio companies for the purpose, or with the effect, of changing or influencing control of any company.

BlackRock's stewardship policies are developed and implemented separately by two independent, specialist teams.

This report describes BIS' policies and explains how they guide our engagement and voting activities on behalf of clients, with case studies included to illustrate our stewardship approach over the reporting period.

This report also explains the governance structures in place which help to ensure oversight and accountability of stewardship-related activities on behalf of clients, in alignment with our firm's business model and size.

In addition, this report outlines how BIS oversees service providers to ensure services are delivered to meet the requirements of our stewardship program, including proxy research firms that provide research and operational support for proxy voting, record keeping, and reporting processes.

Our report includes a description of how BIS maintains policies and procedures that prevent undue influence on proxy voting activities, using independent third-party voting service providers when necessary. This robust governance structure helps to ensure that BIS operates in line with BlackRock's fiduciary duty as an asset manager, and effectively manages potential conflicts of interest. We include an example of how we applied our conflicts of interest policy in 2025 on page 32.

BlackRock Investment Stewardship (BIS)

BIS engages and votes on behalf of clients invested in index equity strategies. Approximately 90% of clients' public equity AUM are held in index equity strategies.¹

In its engagement and analysis, the BIS team seeks to understand how corporate leadership is managing material risks and capitalizing on opportunities to help protect and enhance companies' ability to deliver the long-term financial returns BlackRock's clients depend on to reach their investing goals. This, in turn, informs BIS' voting decisions for clients who have authorized BlackRock to vote on their behalf.

The BIS team, one of the largest in the industry, consists of more than 60 professionals who operate out of nine offices globally.²

BlackRock Active Investment Stewardship (BAIS)

BAIS supports BlackRock's active investment platform, including fundamental equity, systematic equity, and multi-asset solutions strategies. The team's work also supports BlackRock's fixed income strategies, to the extent those strategies hold voting securities or conduct issuer engagements.³

BAIS provides expertise on investment stewardship, engaging with companies alongside and on behalf of active investment teams, when appropriate, and in recommending, operationalizing, and reporting on voting decisions. Active portfolio managers have discretion as to how they integrate stewardship within their investment processes in light of their clients' or funds' investment objectives.

The BAIS team consists of 13 dedicated professionals in six offices globally, and is co-located with the active investment teams with which the team collaborates.⁴

More information on each team's policies and approach can be found on their respective websites.

BlackRock Investment Stewardship >

BlackRock Active Investment Stewardship >

1. BlackRock, Inc. Estimate based on figures reported in BlackRock, Inc.'s financial results as of December 31, 2025, which indicated that approximately 51% of total equity AUM was held in iShares ETFs, and a further 42% of total equity AUM was invested in index strategies on behalf of institutional and retail clients. See: "BlackRock's Q4 2025 Quarterly Results." 2. BIS. As of January 1, 2026. 3. BAIS was established as part of a strategic initiative to segment active and index investment functions, including stewardship, to unlock the full breadth of the firm's active and private markets capabilities. 4. BAIS. As of January 1, 2026.

Providing eligible clients with more choices

Our Voting Choice program provides eligible clients with more opportunities to participate in the proxy voting process

BlackRock Voting Choice is the industry's largest pass-through voting program.¹ This enables eligible clients to participate in the proxy voting process where legally and operationally viable.

The program is available to client assets representing \$3.76 trillion of BlackRock's \$7.7 trillion total index equity AUM, with clients representing approximately \$885 billion in index equity AUM exercising this option.² Clients invested in certain institutional pooled funds that implement Systematic Active Equity strategies are also eligible for Voting Choice.³

The section titled "Offering clients more choice," on page 17, contains more detail about this stewardship offering.

Our Climate and Decarbonization Stewardship program is an offering for clients in decarbonization-focused index and active strategies

In July 2024, BlackRock launched the Climate and Decarbonization Stewardship program, which applies only to funds with climate and decarbonization objectives across BlackRock's index and active platform and where the funds' respective governing body has explicitly approved the application of the program. Separately managed account (SMA) clients may also instruct BlackRock to apply the program to their holdings. The program represents approximately \$194 billion in AUM.⁴

1. Based on total AUM eligible to participate in pass-through voting programs across the industry, as of December 31, 2025. Also see: "[The complete guide to pass-through voting.](#)" Accessed in April 2026. 2. BlackRock. Client funds participating in BlackRock Voting Choice are as of December 31, 2025. Assets include index equity assets held in multi-asset fund of funds strategies. 3. Clients invested in certain systematic active equity managed funds are also eligible for voting choice. 4. As of December 31, 2025.



About BlackRock

Our purpose

BlackRock is a global asset manager and technology provider dedicated to helping more and more people experience financial well-being. We help millions of people invest to build savings that serve them throughout their lives.¹

Fiduciary duty is a foundational principle at BlackRock. It means that, as an asset manager, we have an obligation to act in the best interests of our clients and to focus solely on their investment objectives. We invest our clients' money according to their instructions and unique investment objectives. They choose how they would like their money invested; we provide them with access to the world's financial markets to achieve their investment objectives through simple, accessible, and cost-efficient investment solutions, risk management, research, data, and analytics.

As of December 31, 2025, clients entrusted BlackRock with \$14 trillion of AUM.² More than half of the money BlackRock manages is related to retirement.³

Our people

As an asset manager, BlackRock's long-term success depends on our people.

BlackRock is a global firm. With approximately 24,900 employees in more than 30 countries who serve clients in over 100 countries around the world, BlackRock provides a broad range of investment management and technology services to clients worldwide.⁴

BlackRock's culture is underpinned by five core principles that unify our workforce and guide how we interact with employees, clients, the communities in which we operate and other stakeholders:

- 1. We are a fiduciary to our clients.**
- 2. We are One BlackRock.**
- 3. We are passionate about performance.**
- 4. We take emotional ownership.**
- 5. We are committed to a better future.**

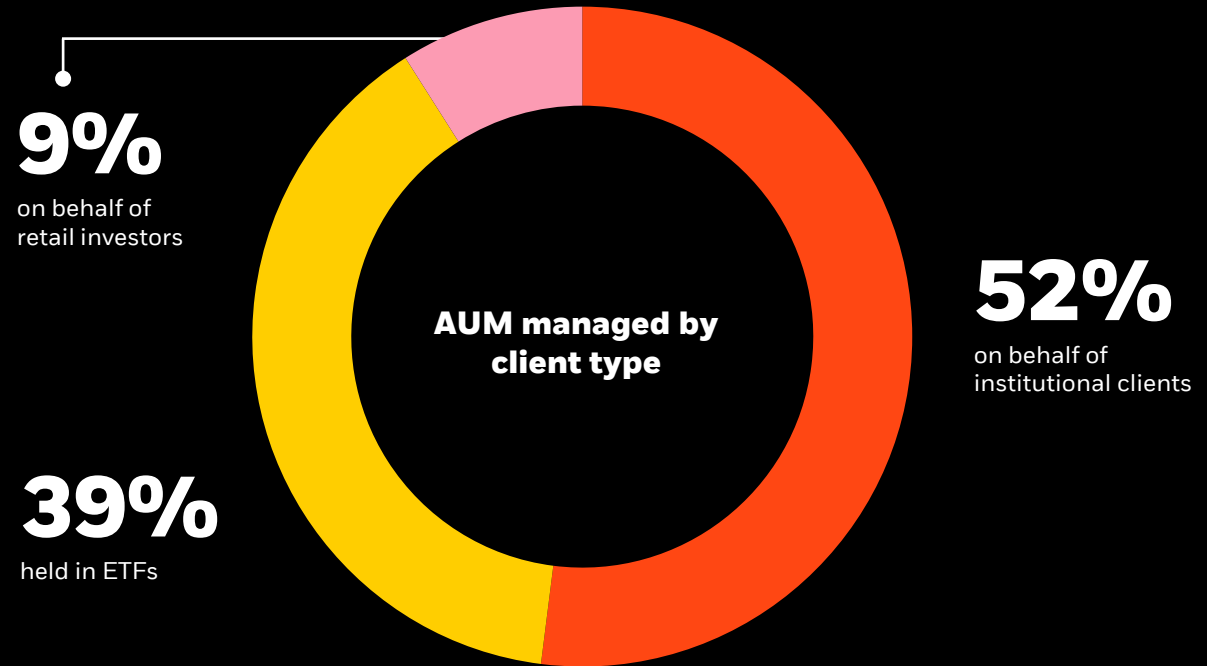
These principles represent our core values, our aspirations and our cultural language — lived and embraced by every employee at our firm.

1. Around the world, 43 million investors use iShares ETFs. BlackRock, as of September 30, 2023. 2. BlackRock, Inc. "BlackRock's Q4 2025 Quarterly Results." 3. BlackRock estimates based on AUM as of December 31, 2021, and Cerulli data as of 2020. ETF assets include only qualified assets based on Cerulli data and assumes 9.5% of institutionally held ETFs are related to pensions or retirement. Institutional estimates include assets defined as "related to retirement" and are based on products and clients with a specific retirement mandate (e.g., LifePath, pensions). Estimates for LatAm based on assets managed for LatAm Pension Fund clients, excluding cash. 4. BlackRock Inc. "Form 10-K" for the fiscal year ended December 31, 2025.

Our clients

The assets we manage belong to our clients.

Our clients include public and private pension plans, insurers, endowments, universities, charities, family offices, wealth managers, and, ultimately, the individual investors they serve, many of whom are saving for retirement.

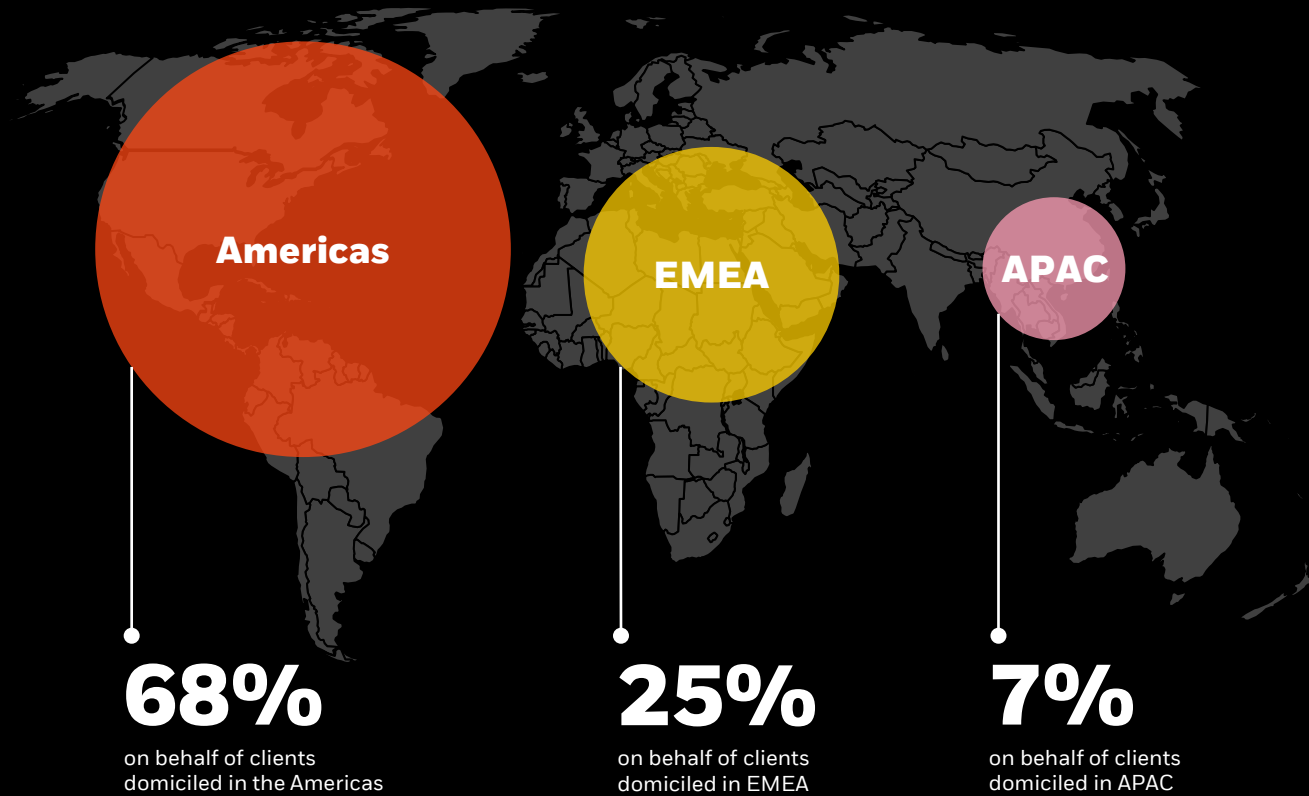


Source: BlackRock, Inc. "Q4 2025 Earnings Release Supplement," January 15, 2026.

We serve clients in over 100 countries.¹

BlackRock's footprint in the Americas, Asia-Pacific (APAC), and Europe, Middle East, and Africa (EMEA) regions reflects strong relationships with clients and financial intermediaries and an established ability to deliver global investment expertise in funds and other products tailored to local regulations and requirements.

AUM managed by region

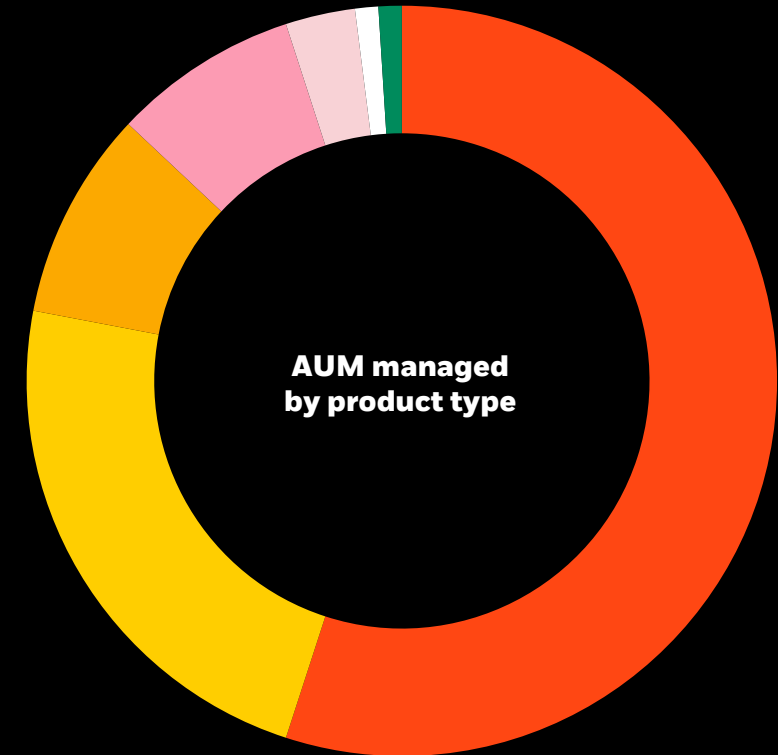
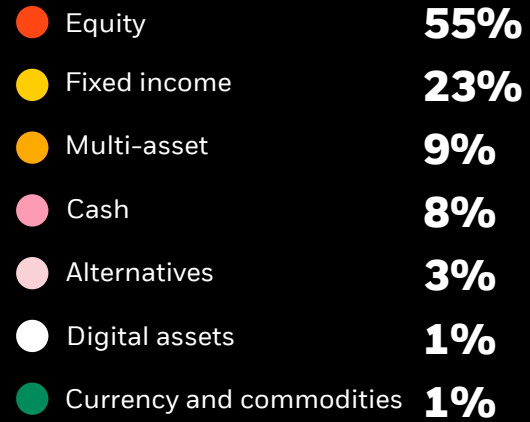


Source: BlackRock, Inc. "Q4 2025 Earnings Release Supplement," January 15, 2026.

1. As of December 31, 2025.

Everything we do is for our clients.

We listen to them, learn from them, and put their needs first. We focus on strong investment performance, seeking the best risk-adjusted returns for client portfolios, within the mandates given by clients, to help them meet their investment objectives.



Source: BlackRock, Inc. "Q4 2025 Earnings Release Supplement." January 15, 2026.

Our investment approach

BlackRock was founded on the premise of understanding and managing investment risk, anticipating our clients' needs, and supporting them in achieving their long-term investment goals. We start with our clients' investment objectives and provide choice to meet their needs. We seek the best risk-adjusted returns within their mandates. And we underpin all of our work with rigorous research and analytics.

1.

Client choice.

We start with the client.

2.

Performance.

We seek the best risk-adjusted returns within the mandates clients give us.

3.

Research.

We underpin our work with research, data, and analytics.

Investment solutions to provide clients with choice in line with their specific investment goals and objectives

BlackRock's clients have a variety of goals and preferences. BlackRock's global investment platform encompasses broad and deeply integrated investment strategies across all major asset classes and investment styles. To support our clients' unique and varied investment objectives, BlackRock offers a wide range of investment products and strategies that our clients may choose from.

BlackRock recognizes that different clients have different investment objectives and preferences. We invest in companies for one simple reason: our clients have asked us to. It's our clients' money, not ours. We offer products and strategies to fit a broad set of investor objectives. That's part of being an asset manager. We follow our clients' mandates.



Industry affiliations and memberships to promote well-functioning capital markets

In order to better serve our clients, BlackRock participates in multiple organizations and trade groups across different regions. We participate in dialogue on issues that may impact our clients' portfolios. Participation in these groups helps us provide insights to clients who are interested in ways to mitigate certain risk and capture opportunities. This includes participating in organizations and trade groups related to corporate governance and stewardship. BlackRock conducts our stewardship activities independently. We do not coordinate our votes or investment decisions with any external group or organization. We do not make any commitments or pledges that would interfere with our independent determination on how to engage with issuers and vote proxies in the long-term financial interests of our clients or in accordance with our clients' instructions.

The firm joins and leaves many working groups and initiatives based on their relevance to our business needs and their effectiveness in supporting our clients' interests. Examples of BlackRock's industry affiliations include the Asian Corporate Governance Association (ACGA) and the Eumedion Corporate Governance Forum (Eumedion), both of which are corporate governance forums.^{1, 2} Membership in these forums allow the firm to participate in industry events and engage on emerging governance developments with other members. At the global level, BlackRock is also a member of the International Corporate Governance Network (ICGN).³ While we may not endorse all of these bodies' positions, we consider these networks as valuable forums to gain information, insights, and perspectives that benefit our clients.

Recognition of our stewardship approach

In 2025, we were pleased to see our approach to stewardship recognized by various organizations globally.

For example, in July 2025, BlackRock was recognized as a signatory of the UK Stewardship Code (the Code) based on the Financial Reporting Council's (FRC) evaluation of our 2024 annual stewardship report.⁴ Many clients recognize the Code as a best-practice standard for reporting investment stewardship practices. BlackRock has been a signatory to the Code and its predecessors for more than 15 years.

Offering clients more choice

BlackRock Voting Choice

Launched in January 2022, [BlackRock Voting Choice](#) – sometimes referred to as pass-through voting – provides eligible clients with more opportunities to participate in the proxy voting process, where legally and operationally viable.¹ Since then, BlackRock has continued to expand Voting Choice by extending the pool of eligible client assets that can participate and expanding the range of voting policies clients can choose from.

For eligible global institutional clients, in July 2024 we added Egan-Jones as the third voting policy provider on our BlackRock Voting Choice platform.² With the addition of Egan-Jones' voting guidelines, eligible institutional clients have access to 16 distinct voting guidelines from three voting policy providers, in addition to BlackRock's stewardship policies. Additionally, institutional clients with SMAs may implement custom voting guidelines reflecting their investment goals and preferences.

In 2025, we expanded BlackRock Voting Choice to eligible clients in select Swiss-domiciled funds, adding to existing availability in funds in the U.S., Canada, Ireland, and the UK.

For eligible U.S. retail shareholders, in February 2024, we launched a pilot program to make BlackRock Voting Choice available for our largest ETF for the first time. In early 2025, we formalized this innovative program and announced the inclusion of the Egan-Jones Wealth-Focused Policy as a third-party voting policy provider, expanding the available proxy voting policy options to eligible shareholders in the U.S. from seven to eight.

As of December 31, 2025, \$3.76 trillion of BlackRock's \$7.7 trillion total index equity AUM are eligible to participate in BlackRock Voting Choice with clients representing approximately \$885 billion in index equity AUM exercising this option.³

1. BlackRock will determine eligibility criteria under this program based upon, among other things, local market regulation and practice, cost considerations, operational risk and/or complexity, and financial considerations, including the decision to lend securities. 2. The three proxy advisors are Egan-Jones, Glass Lewis, and Institutional Shareholder Services (ISS). 3. BlackRock. Client funds participating in BlackRock Voting Choice are as of December 31, 2025. Assets include index equity assets held in multi-asset fund of funds strategies.



BlackRock Investment Stewardship



Amra Balic

Global Co-Head
of BlackRock
Investment
Stewardship



John Roe

Global Co-Head
of BlackRock
Investment
Stewardship

Foreword

A long-term, consistent approach to stewardship in an evolving global landscape

In 2025, companies and investors faced a complex and dynamic global environment. Economic growth proved more resilient than many had anticipated, even as uncertainty persisted amid rapid technological change, shifting trade dynamics, geopolitical fragmentation, and evolving regulatory developments across markets. Amidst all of these changes, investment stewardship teams continue to serve as a link between companies and their investors, striving to deepen their understanding of governance structures, company strategies, capital allocation, and operations – all to support their ability to make voting decisions aligned with our clients’ investment objectives.

BlackRock Investment Stewardship (BIS) – the team we proudly represent – is responsible for stewardship activities in relation to clients’ assets invested in index equity strategies. Because index equity funds track public companies for as long as they remain index constituents, investors in these strategies typically remain invested over long-time horizons. For this reason, our team takes a long-term approach in our stewardship efforts, guided by a sole focus on advancing our clients’ investment objectives.

Engaging and voting on behalf of our clients

In 2025, BIS continued to hold discussions with the members of the boards and management teams of the companies our clients invest in to learn about how this macroeconomic backdrop is informing their approach to business-relevant matters.

As ever, the majority of BIS’ efforts are centered on corporate governance as, in our experience, sound governance is critical to the success of a company’s ability to generate long-term financial returns. During 2025, we heard from company leaders around the globe on how they are approaching governance themes such as board effectiveness, director independence, and executive compensation.

Companies also discussed regional developments and how these are shaping strategic priorities and long-term resilience. In APAC, several markets introduced corporate governance reforms aimed at enhancing shareholder returns, and in Japan we saw another record year of shareholder activism focused on improved financial performance. In EMEA, companies highlighted an increased emphasis on economic growth and competitiveness, with a number of countries introducing governance amendments to enhance the attractiveness of European capital markets. In the Americas, companies across sectors continued to navigate shareholder activism, even as U.S. shareholder proposal activity declined.

BIS' year-round engagement, combined with our long-term approach, allows us to have an ongoing, constructive dialogue with companies, sometimes over multiple years. In our engagements, we seek to further understand the strategies companies have in place to manage material risks and opportunities, and how they may evolve over time. We may ask questions relevant to their business, and exchange perspectives on matters that may impact our clients' investments. This, in turn, informs our voting decisions for clients who have authorized us to vote on their behalf.

BIS remained consistent in our approach to voting on our clients' behalf. Voting at a company's shareholder meeting is a basic right of share ownership and a core principle of corporate governance. As a fiduciary, BlackRock is legally required to make proxy voting determinations on behalf of clients who have delegated voting authority to us in a manner that is consistent with their investment objectives. BIS' Benchmark Policies, which we are entrusted to apply to the large majority of our clients' assets, take a financial materiality-based approach and are focused solely on advancing clients' long-term financial interests. Our voting record under our Benchmark Policies remained consistent with previous years. During 2025, we supported management on approximately 88% of the more than 154,000 proposals voted globally, reflecting our continued assessment that in the vast majority of cases, investors and management are aligned on how companies are delivering financial value for their shareholders.¹

Expanding our stewardship capabilities to advance our clients' investment objectives

BlackRock leads the asset management industry in giving clients choice in the stewardship of their capital. We remain steadfast in our commitment to innovation and offer a range of choices to help our clients meet their investment objectives.

Over 2025, we continued to expand BlackRock Voting Choice — an industry-leading offering that supports eligible clients who want to participate in the proxy voting process — by enabling Voting Choice for eligible institutional clients in select Swiss-domiciled funds, adding to existing availability in the U.S., Canada, Ireland, and the UK.

BIS also continued to operationalize our Climate and Decarbonization Stewardship offering during its first full year of voting on behalf of clients invested in participating index equity strategies, following the launch of the program in July 2024.

Looking ahead to 2026

In 2025, we stepped into the roles of Global Co-Heads of BIS. Our team of more than 60 dedicated professionals — who operate across nine offices — brings decades of experience in corporate governance and stewardship, and related fields, including investment, financial, data analytics, communications, consulting, technology, legal, and policy roles. We are proud to lead a global team whose depth of experience provides a strong foundation for BIS to carry out its responsibilities independently, thoughtfully, and consistently on behalf of the clients who entrust us with their capital.

Looking ahead to 2026, we will continue to enhance BIS' platform and capabilities, with innovation supporting our continued focus on advancing our clients' long-term financial interests.

1. BlackRock, ISS. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025.

About BlackRock Investment Stewardship

BIS' stewardship program is conducted from the perspective of a long-term investor

BIS is responsible for stewardship activities in relation to clients' assets invested in index equity strategies. Through stewardship, we assess how companies are creating long-term financial value to serve our clients, many of whom are saving for long-term goals, such as retirement.

Our stewardship program — including when engaging with companies and voting at shareholder meetings on behalf of clients — is conducted from a long-term investor perspective and takes a financial materiality-based approach, focused solely on advancing clients' investment objectives.

The BIS Benchmark Policies

Sound governance is critical to a company's ability to create long-term financial value. We maintain global principles on corporate governance, which guide our approach to stewardship across jurisdictions, while recognizing the unique characteristics of the different markets where companies operate.

1.

Global Principles

Reflect our views on the globally applicable elements of corporate governance that contribute to a company's ability to create long-term financial value for shareholders.

2.

Regional voting guidelines

Explain how the BIS Global Principles inform our voting decisions in relation to common ballot items for shareholder meetings in each market.

3.

Engagement Priorities

Cover the five themes on which we most frequently engage companies, where they are relevant and a source of material business risk or opportunity.

BIS' yearly policy review process

BIS reviews our Benchmark Policies every year and updates them, as necessary, to reflect changes in market standards and regulations, feedback from clients and companies, and insights gained over the year through third-party and our own research.

The BIS policy review and approval process is rigorous, yet flexible, as it allows for continuous improvement. This process helps us ensure that our policies are applied pragmatically and

on a case-by-case basis, with the goal of voting to achieve an outcome most aligned with the long-term financial interests of our clients as shareholders.

We did not make any material changes to our stewardship policies for 2025, and our five Engagement Priorities also remained consistent. The few changes we made included language refinements to clarify meaning and to incorporate any changes specific to local markets.

The four pillars of our stewardship program

01. Engaging with the boards and management of companies

BIS defines an engagement as a meeting with the boards and management of companies in which clients are invested to deepen our understanding of a company's business model, including how they are overseeing material business risks and opportunities over time, and to help inform our voting on behalf of clients.¹ BIS counts only direct interaction as an engagement. BIS does not count letters as engagement.

BIS' year-round engagement, combined with our long-term approach, allows us to have an ongoing, constructive dialogue with companies, sometimes over multiple years. In our engagements, we seek to further understand the strategies companies have in place to manage material risks and opportunities, and how they may evolve over time. We may ask questions relevant to their business, and exchange perspectives on matters that may impact our clients' investments. This, in turn, informs our voting decisions for clients who have authorized us to vote on their behalf.

The majority of our engagements are initiated by companies to discuss topics including their long-term strategy, risk and opportunity set, and management's plan to deliver financial returns through business cycles.

BIS engages individual companies independently rather than alongside other asset managers or asset owners. In addition, BlackRock adheres to regulatory constraints on collaborative engagement in any jurisdiction that establishes them. BIS may participate in collaborative engagements with other shareholders only where permissible under local regulations and where, in our assessment, our clients' long-term financial interests could be more productively advanced through joint dialogue. In such cases, BIS would determine our engagement objectives independently, including with whom and how best to partner. In 2025, BIS did not participate in collaborative engagement activities in any market.

1. On February 11, 2025, the U.S. Securities and Exchange Commission (SEC) staff issued updated guidance for shareholders to maintain their eligibility to report their beneficial ownership under Schedule 13G of the Exchange Act. We comply fully with these requirements and do not engage with portfolio companies for the purpose, or with the effect, of changing or influencing control of any company.

BIS' Engagement Priorities

Board quality and effectiveness

In our view, a strong board gives a company a competitive advantage, providing valuable oversight and contributing to the most important management decisions that support long-term financial performance. For this reason, our investment stewardship efforts focus on the effectiveness of the board of directors.

Strategy, purpose, and financial resilience

We engage on long-term corporate strategy, purpose, and financial resilience to understand how boards and management are aligning their business decision-making with the company's purpose and adjusting strategy and/or capital allocation plans as necessary and as business dynamics change.

Incentives aligned with financial value creation

We find it helpful when companies make clear in their disclosures the connection between compensation policies and outcomes and the long-term financial interests of shareholders.

Climate and natural capital

We engage with companies to better understand their approach to, and oversight of, material climate-related risks and opportunities, as well as how they manage material natural capital impacts and dependencies in the context of their business model and sector.

Company impacts on people

In our experience, companies that invest in the relationships critical to their strategic objectives are more likely to deliver durable, long-term financial performance.

[Learn More >](#)

Engagement in practice

BIS identifies and prioritizes companies for engagement based on several factors, including but not limited to, identified or potential material financial risks, aggregate client exposure, corporate developments, changes in regulation, or other market developments that could impact a company's operations. We determine engagement would be helpful to further understand a company's situation after assessing its disclosures.

BIS measures the effectiveness of our engagements based on whether they helped lead to more informed voting decisions and/or deepened our understanding of a company's business model and how they are overseeing material business risks and opportunities, over time. A description of each engagement priority, supported by case studies, can be found in the section titled "2025 Case studies — BIS Benchmark Policies" on page 42.

02. Exercising voting rights and responsibilities on behalf of clients

BIS' Benchmark Policies, and the vote decisions made consistent with those policies, reflect our reasonable and independent judgment of what is in the long-term financial interests of clients. Our vote decisions are often informed by several factors, including in-depth analysis of company disclosures, comparisons against industry peers, third-party research, and, where appropriate, engagement with companies.

Generally, BIS supports the vote recommendations of the board of directors and management at companies which have sound corporate governance and deliver strong financial returns over time. When we determine it is in our clients' financial interests to convey concern to companies through voting, we may do so in two forms: we might not support the election of directors or other management proposals, or we might not support management's voting recommendation on a shareholder proposal.

In certain markets, proxy voting involves logistical issues that can affect BlackRock's ability to vote, as well as the desirability of voting. In these cases, BlackRock votes on a "best efforts" basis.

In addition, BIS may determine that it is generally in the long-term financial interests of BlackRock's clients not to vote proxies (or not to vote our full allocation) if the costs (including but not limited to opportunity costs associated with share-blocking constraints) associated with exercising a vote are expected to outweigh the benefit the affected clients would derive by voting on the proposal. In 2025, BIS voted at approximately 99% of the shareholder meetings at which our clients were entitled to vote globally.¹ Our voting record on behalf of clients is available on the BIS website through our [Global Vote Disclosure tool](#).

BIS does not act collectively with other shareholders or organizations in voting shares or follow any proxy research firm's voting recommendations. In addition, BIS does not disclose our vote intentions in advance of shareholder meetings as we do not see it as our role to influence other investors' proxy voting decisions. Our role is to convey to a company our view on how its board and management are fulfilling their responsibilities to our clients as minority shareholders.

Voting in practice

The vast majority of the stewardship team's voting decisions are straightforward applications of the BIS Benchmark Policies and are determined by the relevant voting analyst, in consultation with team members or the BIS regional head, as necessary. BIS analysts may, in the exercise of their professional judgment, conclude that the Benchmark Policies do not cover the specific matter upon which a proxy vote is required or that an exception is warranted. In such cases, the analyst makes a vote decision they consider most consistent with the long-term financial interests of clients.

BIS also has a vote escalation process that allows analysts and regional heads to raise high-profile and certain non-routine voting matters for further review by BIS' regional heads and/or oversight committees, as appropriate. Examples of high-profile votes include shareholder activist situations, mergers, executive compensation proposals, and certain shareholder proposals.

Escalation does not involve filing shareholder proposals, proposing candidates for director elections, or engaging in public campaigns.

1. BlackRock, ISS. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025. The meetings where BIS did not vote are due to market impediments including, but not limited to, share-blocking, sanctions, regulatory restrictions, economic reasons, and other logistical challenges that limit BIS' ability to vote such proxies. Please refer to the BIS Global Principles for a list of considerations which can affect BlackRock's exercise of voting rights.

03. Contributing to industry dialogue on stewardship

BIS team members may participate in industry-level discussions to further the dialogue on matters that could impact our clients' portfolios or to provide an increased understanding of BlackRock's approach to investment stewardship.¹ BIS prioritizes opportunities to engage with the investment stewardship ecosystem including clients, corporate directors, senior members of management teams, policymakers and other industry stakeholders.

BIS may engage with parties in the investment stewardship ecosystem along with other teams such as BlackRock's Government Affairs and Public Policy (GAPP) team. BIS may also respond to policy consultations to serve as a resource and provide our perspectives with a focus on promoting well-functioning capital markets.

In 2025, BIS responded to or provided input to two policy consultations in the UK, both of which concerned the FRC updates to the UK Stewardship Code and its guidance documents. BIS also provided input to the UK Investment Association's (IA) review of its position on remuneration matters via our participation in the IA's Remuneration and Share Schemes Committee.

Responses to policy consultations are available on the [BIS website](#).

The GAPP team also regularly publishes ViewPoints, which examine public policy issues and assess their implications for investors, and periodically submits letters and consultation responses to policymakers. The ViewPoints series, letters, and consultations are available on the [GAPP website](#).

04. Reporting on our activities to inform clients

We inform clients about our stewardship activities on their behalf through a range of publications on our website. BIS also provides clients who have requested additional stewardship reporting with client-specific engagement and voting reports. Clients may request specific reporting covering the engagement and voting activity associated with their portfolios on a monthly, quarterly, or annual cadence.

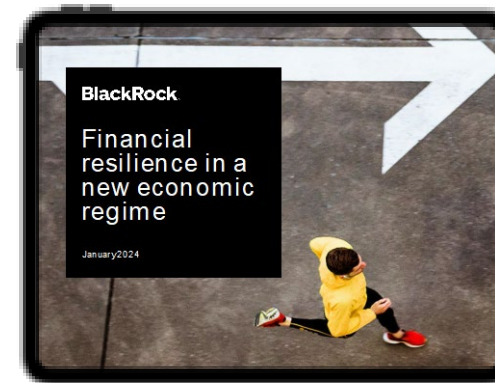
We are committed to providing our clients with the reporting on our stewardship program that meets their informational needs. All BIS publications and reports to clients undergo a rigorous internal review process ensuring our stewardship reporting is clear and balanced. Moreover, we continue to hear from portfolio companies that BIS' reporting is fair, balanced, and useful in deepening their understanding of BlackRock's approach to stewardship.

1. These efforts are separate from our bilateral engagements with public companies and from engagements with clients and are carried out with the objective of sharing our perspective as a long-term minority investor. However, clients and companies may often participate in marketplace engagements given the nature of the topics. Examples of marketplace engagements include speaking at industry events and conferences, or participating in academic seminars, among others. The work that we do is intended to advance the economic interests of BlackRock's clients as long-term investors.



Stewardship policies

Include our Benchmark Policies (Global Principles, regional voting guidelines for 10 markets, and Engagement Priorities), our Climate and Decarbonization Stewardship Guidelines, and our conflicts of interest policy.



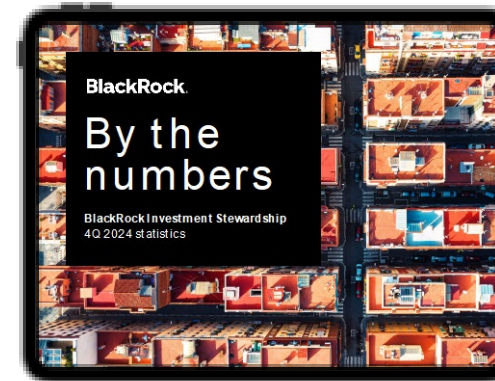
Commentaries and position papers

Cover thematic publications that help explain our approach to stewardship and themes that can affect companies' long-term financial performance.



Flagship reports

Provide a detailed overview of BIS' engagement and voting activities, supported by case studies. Flagship reports include this "Annual Report," the "Global Voting Spotlight," and a "Climate and Decarbonization Stewardship Summary."



Quarterly reports

BIS provides quarterly updates on global engagement and voting activities, including vote instructions on behalf of clients for all proposals voted at individual meetings through our [Global Vote Disclosure tool](#).

Communicating with and seeking client feedback on our stewardship approach

In 2025, BIS continued to engage with clients in a more targeted way to further our understanding of their evolving needs and the issues that are top of mind for long-term asset owners at the local level. Throughout the year, BIS hosted a range of client engagement activities across key markets, such as roadshows and “Stewardship Day” sessions. This included an interactive, UK Stewardship Day in November 2025 to discuss trends from the 2025 proxy voting season. Additionally, BIS executives hosted in-person meetings with clients and key policy and industry stakeholders in several markets, including Hong Kong, Japan, and Singapore in APAC, and the Netherlands and the UK in Europe.

We also continued to meet with clients throughout the year to better support their requests for specific case studies to, in turn, help them comply with their local reporting obligations. During these meetings, we discussed whether our reporting is meeting their informational needs and providing the necessary quality, breadth, frequency, and accessibility to meet the disclosure expectations of their beneficiaries and regulators. In response to client feedback, BIS enhanced our reporting capabilities by developing an expanded, client specific, portfolio level engagement report. The report includes improved data visualization, initially covering calendar year 2025, and will thereafter be updated quarterly on a rolling 12-month basis.

Recognition of our stewardship reporting

In addition to being recognized as a signatory of the UK Stewardship Code in 2025, BlackRock’s 2024 annual stewardship report and other stewardship-related disclosures were reviewed and rated by the Taiwan Stock Exchange.¹ Based on our reporting, BlackRock was recognized as one of five foreign companies with better institutional investor stewardship disclosure in 2025.²

BIS’ activities are also consistent with multiple stewardship codes and other market-level stewardship-related reporting requirements. We regularly provide updates to the organizations that oversee those codes to ensure transparency and clarity in fulfilling our stewardship responsibilities on behalf of clients.

We also explain our reasons for taking a different approach where relevant. For example, we publish our approach to the recommendations of the European Union Shareholder Rights Directive II Engagement Policy, the European Union Shareholder Rights Directive II Implementation of Engagement Policy, the Principles for Responsible Institutional Investors in Japan, the Stewardship Principles for Institutional Investors in Taiwan, and the UK Stewardship Code.

[Learn More >](#)

1. Taiwan Stock Exchange. “The Taiwan Stock Exchange announces the list of institutional investors with better stewardship disclosure 2025, encouraging institutional investors to put stewardship responsibilities into practice.” December 31, 2025, accessed in April 2026. 2. Taiwan Stock Exchange. “List of Institutional Investors with Better Disclosure of Due Diligence Governance 2025.” December 31, 2025.

The BIS team

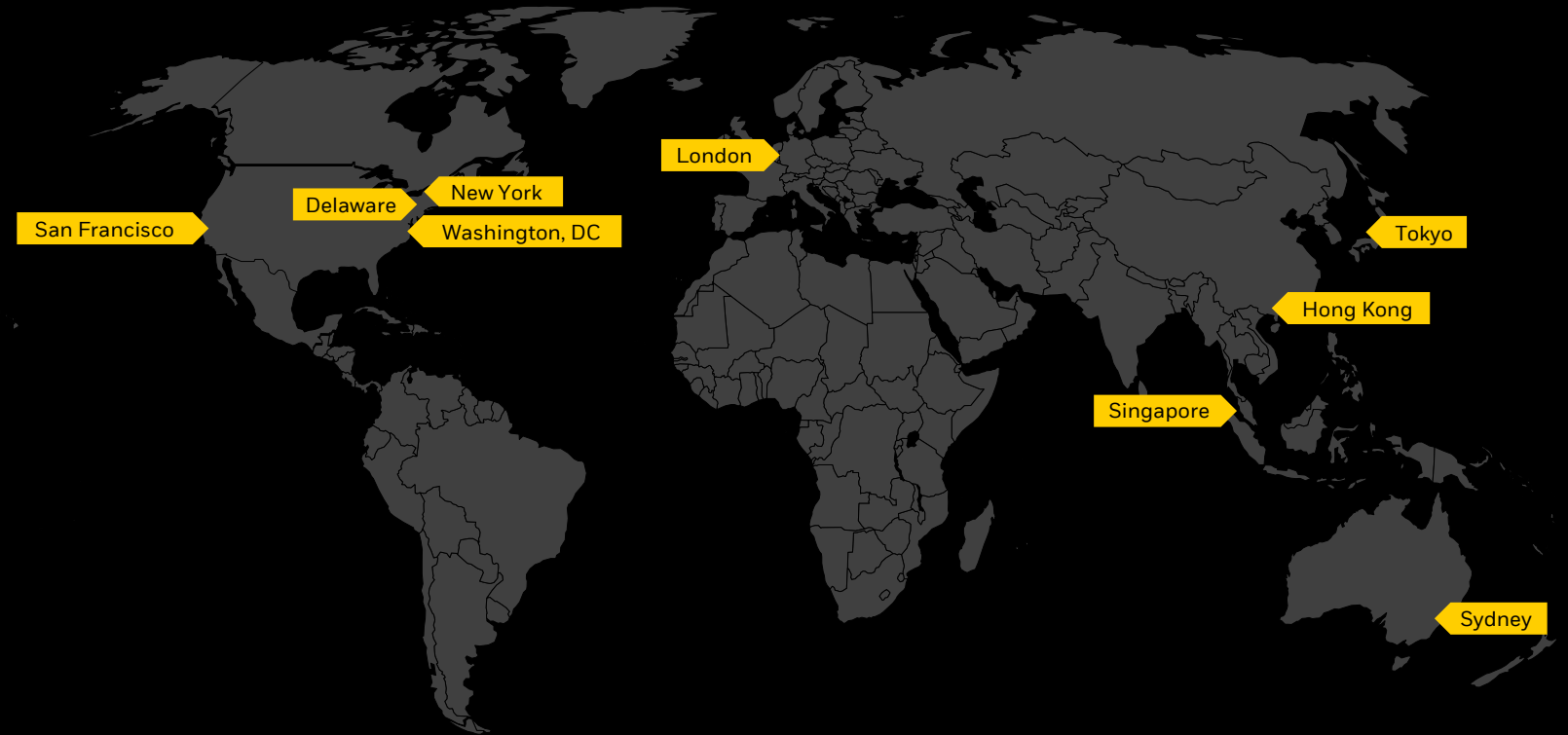
We are one of the largest stewardship teams in the industry. With more than 60 professionals focused full time on stewardship, our team members bring a breadth of skillsets and life experiences to their work.¹

We have continuously evolved to meet clients' needs. In 2009, we were a team of 16. Since then, we have expanded the team and brought in experts with a growing range of relevant skills. We have also developed data analysis, communications, reporting, and client engagement capabilities to innovate and meet clients' changing needs and expectations.

Our global reach and local presence allow us to develop a deep understanding of local market dynamics, regulation, and norms. The BIS team has a presence in Americas, APAC, and EMEA across nine offices, enabling engagement with companies that make up approximately 64% of BlackRock's clients' index equity AUM.² Our local approach allows us to execute our stewardship program most effectively across different jurisdictions.

We continue to develop our team and reward high-performance talent. BIS benefits from internal training sessions and a close partnership with BlackRock's Legal and Compliance (L&C) team to ensure compliance with the regulatory requirements around stewardship. Learning opportunities are available to our team year-round through BlackRock Academies, internal learning sessions with leadership, as well as external educational seminars and conferences.

Additionally, BlackRock has developed a pay-for-performance compensation structure that incentivizes current employees and continues to attract top-tier talent. BlackRock also promotes internal mobility and encourages employees to take ownership of their careers. In 2025, BIS promoted nine members across Managing Director, Director, Vice President, Associate, and Administrative Business Partner positions.³



1. As of January 1, 2026. 2. BlackRock, Inc. Reflects BlackRock exposure as of December 31, 2025. 3. One member promoted to Managing Director, two to Director, four to Vice President, one to Associate, and one to Administrative Business Partner. Effective January 1, 2026.

The governance structure, risk oversight, and accountability process of BIS' activities

The Global Executive Committee (GEC) is BlackRock's leadership team and sets the strategic vision and priorities of the firm and drives accountability at all levels.¹

Amra Balic and John Roe, Global Co-Heads of BIS, report to Joud Abdel Majeid, the Co-Head of BlackRock's Global Partners Office, who is a GEC member. BIS' Global Co-Heads have primary oversight of BIS and are responsible for leading the team and all BIS activities globally. Furthermore, the BlackRock Board of Directors receives an annual update on BIS' investment stewardship program. The Nominating and

Governance Committee (NGC) of BlackRock's Board of Directors also receives updates on material changes following the publication of the BIS Benchmark Policies, which are reviewed annually.

Risk oversight and accountability at BIS

Formal risk oversight of investment stewardship is provided by the BIS Global Oversight Committee. We are confident that this governance structure supports oversight and accountability of stewardship-related activities on behalf of clients and in alignment with our firm's business model and size.

BIS Global Oversight Committee

The BIS Global Oversight Committee is a risk-focused committee overseeing BIS' regulatory responsibilities in relation to proxy voting, including adherence to policies and procedures as well as market-level stewardship requirements. The committee, which meets twice a year, also reviews and approves amendments to the BIS Benchmark Policies on a yearly basis. The committee does not determine voting decisions, as that is BIS' responsibility. The BIS Global Co-Heads chair the committee, and the majority of its members are independent from BIS.

BIS Leadership team

BIS' Leadership team promotes individual accountability while simultaneously providing day-to-day guidance, oversight, and support to the global BIS team on routine stewardship matters, as well as career development and performance. The Leadership team generally meets on a weekly basis to discuss routine stewardship matters, as well as BIS team members' performance and talent development plans, including career progression and succession planning. The Leadership team may also convene sessions where voting items may be formally escalated. The team also holds routine Global Town Halls to discuss strategic objectives, performance milestones, and future initiatives.

1. BlackRock, Inc. "Global Executive Committee."



Spotlight

Assessment of stewardship activities in practice

The BIS Global Oversight Committee receives and reviews periodic reports regarding the votes cast by BIS, as well as updates on material process issues, procedural changes, and other risk oversight considerations. The BIS Global Oversight Committee reviews these reports in an oversight capacity as informed by the BIS regional voting guidelines. The BIS Global Oversight Committee also reviews and confirms, on an annual basis, the appointment of an independent third-party voting service provider to address actual or perceived conflicts of interest in relation to BIS' voting activities on behalf of our clients. BIS' conflicts of interest policy is explained further on page 32. The purpose of our internal governance structure is to provide internal assurance in relation to our stewardship voting processes and ensure that BIS is operating in line with our fiduciary duty.

In addition, BIS is audited periodically by BlackRock Internal Audit, a global independent assurance function covering BlackRock businesses and support functions.

The mandate of Internal Audit is to objectively assess the adequacy and effectiveness of BlackRock's internal control environment to improve risk management, control, and governance processes. Internal Audit employs a risk-based audit methodology that optimizes the allocation of resources to the areas of highest risk. An annual risk-based audit plan is developed from a risk assessment process that evaluates BlackRock businesses and activities and includes key risk considerations.

For external assurance, BIS contracts with third-party specialists to undertake specific vote reviews. These service providers review a sample of proxy votes cast by BIS and, when applicable, the voting recommendations made by the independent third-party voting service provider to ensure votes cast accurately reflect BIS' regional voting guidelines.

Our approach to proxy research firms and other service providers

For clients that have delegated voting authority for index equity strategies to BlackRock, BIS casts all votes according to BIS' regional voting guidelines — independent of any proxy research firm's voting policy.

We use proxy research firms' technology, data, analysis, and reporting offerings to support our vote execution and operational processes. A broad range of proxy research firms provide these services, including Institutional Shareholder Services (ISS), Glass Lewis, Institutional Voting Information Service, Ownership Matters, Stakeholder Empowerment Services, and ZD Proxy.

Eligible investors who wish to participate in our Voting Choice offering can also choose from a range of third-party policies provided by certain proxy research firms, based on their investment goals.

BIS has dedicated operational specialists on the team who are fully focused on ensuring votes cast on behalf of clients are successfully instructed. The controls we have in place ensure that we identify upcoming meetings, cast votes ahead of the voting deadline for each meeting, reconcile holdings with ballots received, and identify any uninstructed ballots.

BIS makes voting decisions independently from any proxy research firm. For example, when ISS' benchmark policy recommended a vote against management on shareholder proposals, BIS voted to support management on approximately 77% of these proposals in 2025.¹

The proxy voting process

Given the large universe of companies that BIS covers, when items on a meeting agenda are routine and there is nothing contentious regarding a specific matter, BIS employs an external proxy service vendor to streamline the voting process by making voting recommendations according to the applicable BIS regional voting guidelines. Agenda items that are not routine or have potentially contentious fact patterns are referred back to the relevant BIS analyst to vote. Vendor recommendations based on BIS' regional voting guidelines can be overridden at any time prior to the vote deadline and

are regularly reviewed by BIS. Both BIS and the proxy services vendor actively monitor securities filings, research reports, company announcements, and direct communications from companies to ensure awareness of supplemental disclosures and proxy materials that may lead to a change in voting decisions based on new information. BIS reviews the proxy service vendor's performance on a periodic basis. A more detailed description of BIS' voting process is available in the Appendix.

1. BlackRock, ISS, reflecting data from January 1, 2025, through December 31, 2025. Data sourced on March 27, 2026. Includes only governance, climate and natural capital, and company impacts on people shareholder proposals where both management and ISS disclosed a voting recommendation. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market. To learn more about BlackRock's proposal taxonomy and a full detail of total proposals voted, please refer to the Appendix section.

How BIS monitors the quality of proxy research firms and other service providers

BIS oversees proxy research firms and other service providers according to BlackRock's global vendor oversight policies, which require that suppliers undergo thorough financial, operational, risk, and contract diligence processes on a consistent basis. We closely monitor the proxy research firms and service providers we contract with to ensure that they are meeting our service level expectations and have effective policies and procedures in place to manage potential conflicts of interest. This oversight includes regular meetings with client service teams, systematic monitoring of vendor operations, as well as annual due diligence meetings.

Each week, we meet with the external proxy service vendor's client service team to review service levels, account set-ups, vote execution, on-going projects, ad hoc events, and other developments that might affect our ability to vote thoughtfully

and accurately on behalf of clients. In the weekly meetings, BIS also escalates any previously reported issues on research, data, or reporting.

Each year, we conduct a due diligence meeting with an extended group, including members of the proxy service vendor's senior leadership team. We cover a range of issues, such as research quality, vote execution, operational processes and controls, conflicts management, business continuity, product improvements, corporate developments (e.g., ownership, key personnel, and resources) and the regulatory landscape. For the year 2025, BIS determined that our service providers — including contracted research firms and proxy voting service providers — met our service level expectations.

How BIS manages conflicts of interest

BIS is a dedicated function whose responsibilities are separate from BlackRock's sales, business partnership or enterprise-level vendor management activities. BlackRock maintains policies and procedures that are designed to prevent undue influence on BIS' proxy voting activity. Such influence might

stem from any relationship between the investee company (or any shareholder proponent or dissident shareholder) and BlackRock, BlackRock's affiliates, a Fund or a Fund's affiliates, or BlackRock employees. For information on how BIS manages conflicts of interest, please consult our policy [here](#).

Case study

How BIS applied its conflicts of interest policy in 2025

Conflicts of interest are managed in accordance with BIS' policies and procedures. BlackRock maintains robust structures and processes to monitor for and manage potential conflicts of interest and to ensure that proxy voting is insulated from impact. For example, the Chairman and CEO of **Cisco Systems, Inc. (Cisco)** — a digital communications company — is also an independent non-

executive director on BlackRock, Inc.'s board, serving on the risk committee.¹ For Cisco's December 2025 annual general meeting (AGM), consistent with BIS' policy, BIS outsourced the voting recommendation(s) to the independent third-party voting service provider. Voting decisions, including those made at the recommendation of the independent third-party voting service provider, are available on BIS' [Global Vote Disclosure tool](#).

1. BlackRock, Inc. "[Board of Directors](#)."

How BIS monitored its independent third-party voting service provider to ensure services were delivered to meet our needs

In selecting an independent third-party voting service provider, we assess several characteristics, including but not limited to: independence, an ability to analyze proxy issues and make proxy voting recommendations in the economic interest of our clients in accordance with regional voting guidelines, reputation for reliability and integrity, and operational capacity to accurately deliver the assigned vote recommendations in a timely manner.

We may engage more than one independent third-party voting service provider, in part to mitigate potential or perceived conflicts of interest at a single voting service provider. BIS reviews annually, after peak shareholder meeting season, the vote recommendations made by the independent third-party voting service provider to ensure that they are consistent with our published regional voting guidelines.

We report the findings of the review to the BIS Global Oversight Committee. We also meet with the independent third-party voting service provider once a year to discuss any vote recommendations that seemed inconsistent with BIS' regional voting guidelines and to explain any changes to these guidelines planned for the following year. We are confident that these measures enable us to appropriately manage perceived and potential conflicts of interest related to proxy voting while ensuring that we exercise, on our clients' behalf, the voting rights that help protect and enhance the long-term financial value of their assets.

In 2025, BIS retained Glass Lewis as the independent third-party voting service provider, and its services were retained again in 2026. Glass Lewis' performance will be evaluated at the end of 2026 as part of BIS' annual review and BlackRock's vendor due diligence process.



2025 by the numbers

BIS Benchmark Policies

BlackRock Investment Stewardship (BIS) is responsible for stewardship activities in relation to clients' assets invested in index equity strategies. As of December 31, 2025, clients held \$7.7 trillion in public equity assets under management (AUM), with approximately 90% invested in index equity strategies.¹

This section provides a comprehensive overview of BIS' engagement and voting activities under BIS' Benchmark Policies, which take a financial materiality-based approach and are focused solely on advancing clients' long-term financial interests. Clients representing approximately three quarters of public equity AUM entrust BIS to apply the Benchmark Policies.²

1. BlackRock, Inc. Estimate based on figures reported in BlackRock Inc.'s financial results as of December 31, 2025, which indicated that approximately 51% of total equity AUM was held in iShares ETFs, and a further 42% of total equity AUM was invested in index strategies on behalf of institutional and retail clients. See: "[BlackRock's Q4 2025 Quarterly Results](#)." 2. Balance of client AUM voted through BlackRock Voting Choice, and the Climate and Decarbonization Stewardship program.

Figure 1

Engaging with companies to build our understanding of material risks and opportunities and inform our voting decisions on behalf of our clients¹

Region	Engagements	Companies engaged	Companies engaged multiple times	Markets engaged
Americas	1,064	850	174	6
APAC	769	569	149	13
EMEA	540	392	90	23
Total	2,373	1,811	413	42

Source: BlackRock. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025.

Figure 2

Engagements across our five priorities



Source: BlackRock. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025. Most engagement conversations cover multiple topics and therefore the engagements across the five BIS priorities sub-totals may not add up to the total 2,373 engagements held in 2025. Our engagement statistics reflect the primary topics discussed during the meeting.

Source: BlackRock. Reflects BlackRock exposure as of December 31, 2025.

1. On February 11, 2025, the U.S. Securities and Exchange Commission (SEC) staff issued updated guidance for shareholders to maintain their eligibility to report their beneficial ownership under Schedule 13G of the Exchange Act. We comply fully with these requirements and do not engage with portfolio companies for the purpose, or with the effect, of changing or influencing control of any company.

Figure 3

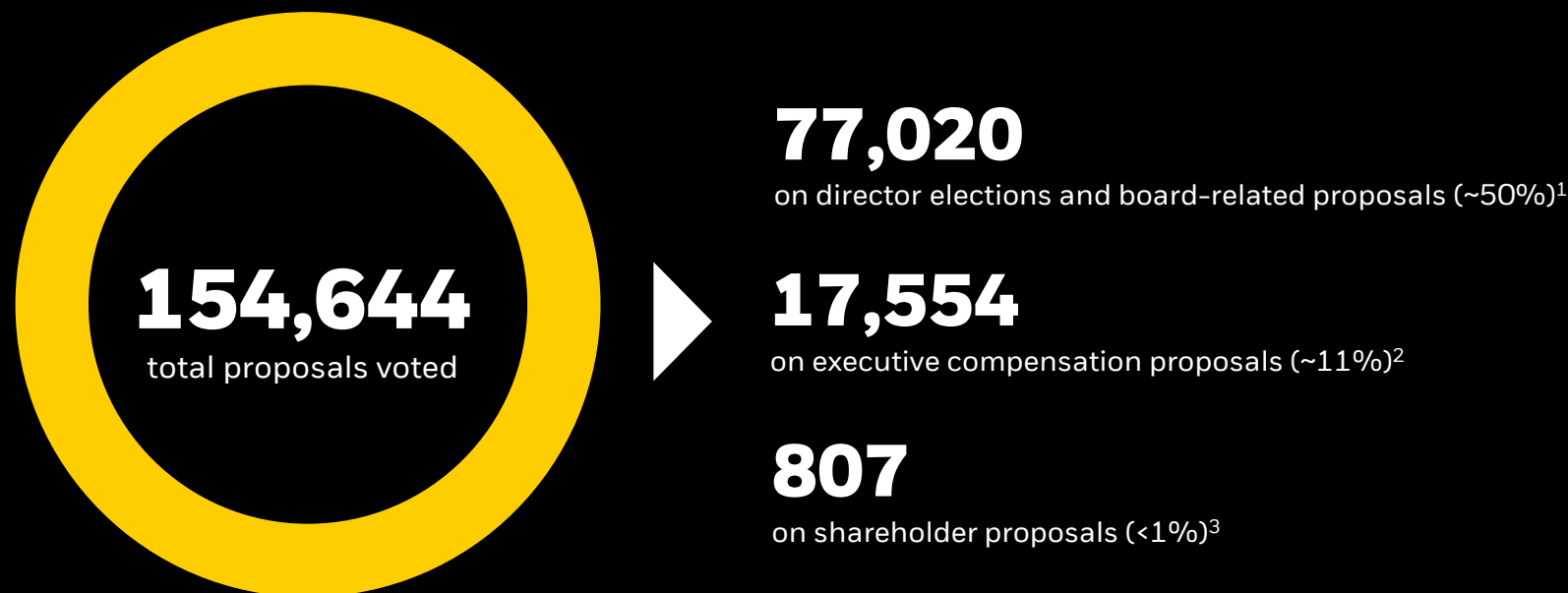
Voting on behalf of clients' long-term financial interests

Region	Proposals voted	Meetings voted	Companies voted	Markets voted
Americas	42,338	4,939	4,454	8
APAC	67,161	8,716	5,547	13
EMEA	45,145	2,938	2,388	32
Total	154,644	16,593	12,389	53

Source: BlackRock, ISS. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025.

Figure 4

Proposals voted at a glance



Source: BlackRock, ISS. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025. Numbers in parenthesis reflect the percentage each category represents out of total proposals voted. Reflects BlackRock's proposal taxonomy. To learn more about BlackRock's proposal taxonomy and a full detail of total proposals voted, please refer to the Appendix section.

1. Includes management and shareholder director elections and board-related proposals. Board-related items include advisory votes, the election of alternate and deputy members to the board, and internal matters, among others. For a full description of items included in each proposal category, please refer to the Appendix section. 2. Includes management executive compensation proposals. 3. Includes only governance, climate and natural capital, and company impacts on people shareholder proposals per BlackRock's proposal taxonomy. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market.

Figure 5

Voting on management proposals

~88%

of proposals voted consistent with management's vote recommendation¹

~90%

of director elections voted consistent with management's vote recommendation

Source: BlackRock, ISS. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025.

Figure 6

Number of companies where BIS did not support proposals categorized as director elections for governance concerns¹

	Americas	APAC	EMEA	Total
Board independence	669	1,020	262	1,951
Executive compensation	161	4	429	594
Board composition	303	23	186	512
Overcommitment ²	172	74	253	499

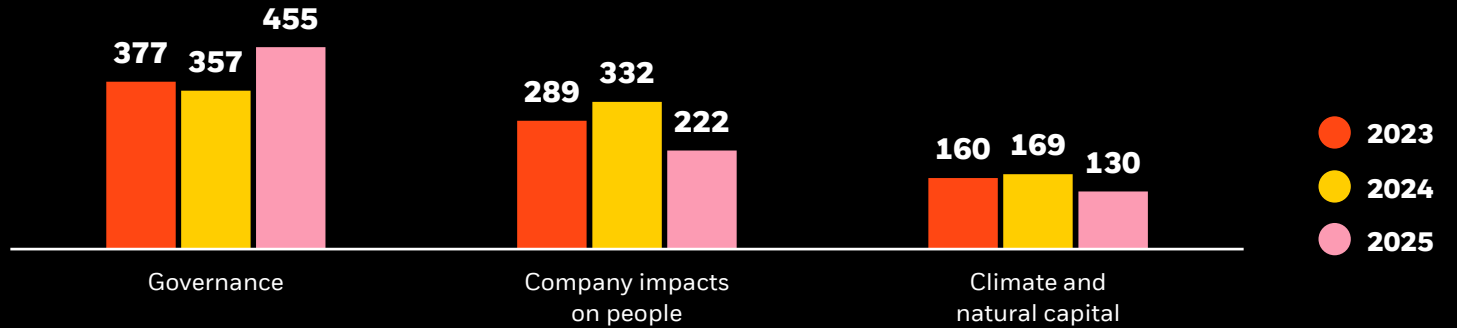
Source: BlackRock, ISS. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025.

1. Votes to not support management recommendation include votes withheld and abstentions. 2. Includes voting action on regular overcommitment policy and overcommitment policy for executives per the BIS [Global Principles](#).

Figure 7

Voting on shareholder proposals

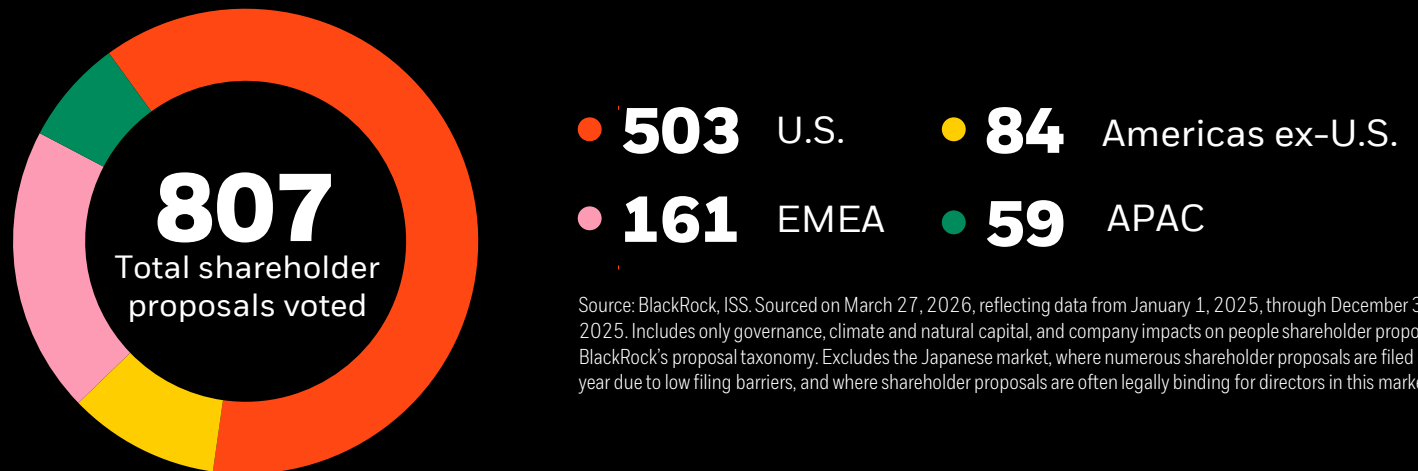
Global shareholder proposals voted per year



Source: BlackRock, ISS. Sourced on March 27, 2026, reflecting data by calendar year, i.e., running from January 1 through December 31 each year. Includes only governance, climate and natural capital, and company impacts on people shareholder proposals per BlackRock's proposal taxonomy. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market.

Figure 8

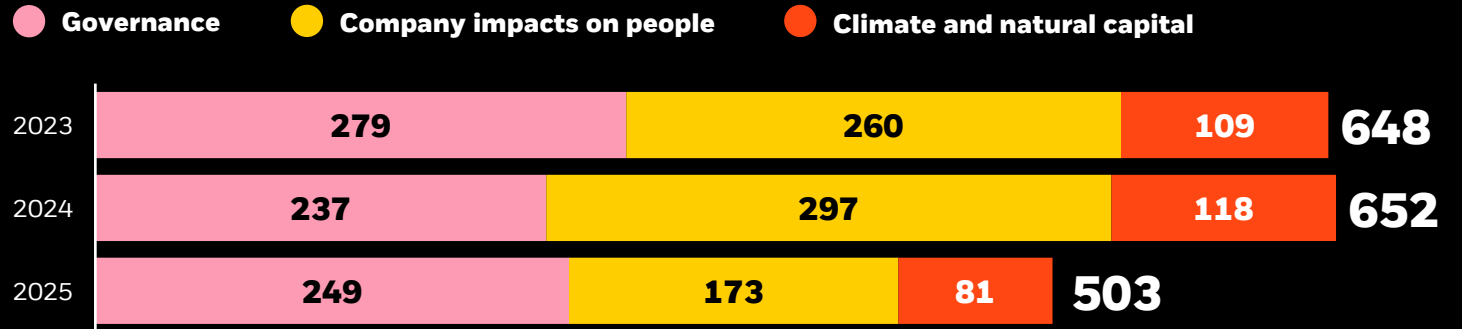
Geographic distribution of shareholder proposals BIS voted on in 2025



Source: BlackRock, ISS. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025. Includes only governance, climate and natural capital, and company impacts on people shareholder proposals per BlackRock's proposal taxonomy. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market.

Figure 9

U.S. shareholder proposals by calendar year



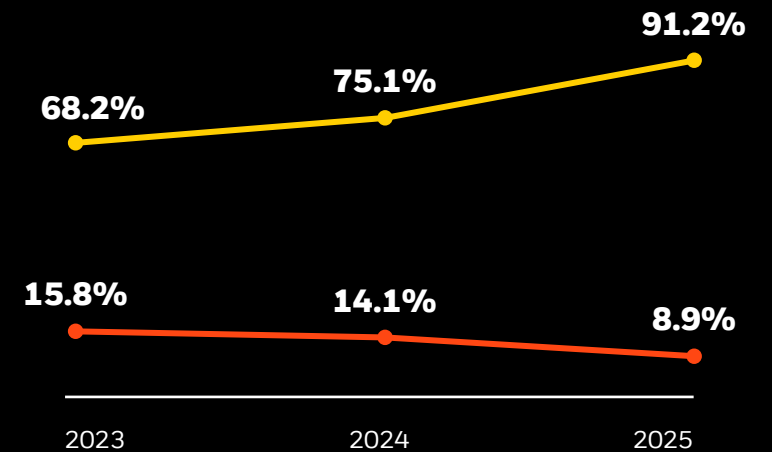
Source: BlackRock, ISS. Sourced on March 27, 2026, reflecting data by calendar year, i.e., running from January 1 through December 31 each year. Includes only governance, climate and natural capital, and company impacts on people shareholder proposals per BlackRock's proposal taxonomy.

Figure 10

Decreasing shareholder support for proposals in the U.S.

Measured in median market support for U.S. environmental and social-related proposals that went to a final vote and % of proposals receiving at least 75% market opposition.

- % of proposals receiving strong opposition
- Median market support



Source: BlackRock, ISS-ESG Voting Analytics Database. Measured in median shareholder support for U.S. environmental and social-related shareholder proposals that went to a final vote. Proposals related to matters beyond core governance issues are typically categorized in the market as environmental or social proposals. We consider these to be sustainability-related issues and generally categorize them in accordance with our engagement priorities, i.e., "climate and natural capital" and "company impacts on people" (a company's employees, its broader value chain, or the communities in which it operates). Includes ISS data only for companies that have disclosed shareholder meeting results. Sourced on March 27, 2026, reflecting data by calendar year, i.e., running from January 1 through December 31 each year. BlackRock defines strong opposition to a proposal as having received at least 75% opposition from shareholders. A proposal has received majority support if more than 50% of shares voted were "for."

Figure 11

BIS' vote decisions on behalf of clients on shareholder proposals globally in 2025

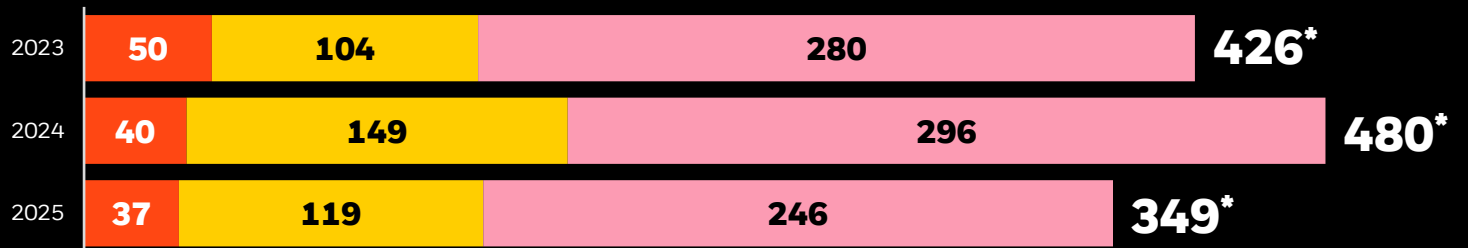
	For	Against	Total
Governance	89	366	455
Company impacts on people and climate and natural capital	3	349	352
Total	92	715	807

Source: BlackRock, ISS. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025. Reflects vote instructions on governance, climate and natural capital, and company impacts on people shareholder proposals per BlackRock's proposal taxonomy. Votes "for" include abstentions. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market.

Figure 12

Reasons BIS did not support climate and natural capital, and company impacts on people shareholder proposals globally

● Lacking economic merit ● Too prescriptive ● Company has process in place to address business risk



Source: BlackRock, ISS. Includes only climate and natural capital, and company impacts on people shareholder proposals per BlackRock's proposal taxonomy. Sourced on March 27, 2026, reflecting data by calendar year, i.e., running from January 1 through December 31 each year. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market.

*Totals for each row may not add up due to some proposals not being supported for more than one reason.



2025 case studies

BIS Benchmark Policies



How to read the case studies:

In the following section, BIS' engagement and voting activities are presented through the lens of our five [Engagement Priorities](#), which provide the framework to assess company-specific issues that may be financially material over time. We have also included a selection of case studies spanning regions and sectors, reflecting how BIS applied our Benchmark Policies in specific engagement and voting contexts in 2025.

Each case study is structured in two sections: **Background** and **Outcome**. The background section includes general information about the company, a description of the proposal presented for a shareholder vote, and, where applicable, a brief description of any engagement with the company. In the outcome section, we explain our voting decision. If we engaged with the company, we describe how such engagement led to a more informed voting decision and/or

deepened our understanding of the company's business model. Relevant voting results for specific ballot items are also included.

These case studies do not prescribe actions for companies or direct business strategy. They demonstrate how BIS applies a long-term, financially material lens to company specific circumstances and voting decisions, informed by company disclosures and engagement. Decisions regarding strategy are the responsibility of company management, with input from the board. In addition, we do not view stewardship as the mechanism to directly seek outcomes related to economies and societies as a whole, which is the role of governments and policymakers. BIS' stewardship activities focus on corporate governance and business practices that support long-term financial value creation for clients invested in index equity strategies.



Strategy, purpose, and financial resilience

BIS engages on long-term corporate strategy, purpose, and financial resilience to understand how boards and management are aligning their business decision-making with the company's purpose, and adjusting strategy and/or capital allocation plans as necessary as business dynamics change. We also seek to understand how companies manage risks and opportunities within their operations to deliver long-term financial value for shareholders.

In 2025, BIS held 2,009 engagements with 1,619 companies to better understand their approach to strategy, purpose, and financial resilience.¹

For more information, please see our commentary **“Our approach to engagement on corporate strategy, purpose, and financial resilience.”**

[Learn More >](#)

1. BlackRock. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025.

Spotlight

Engaging on companies' strategic and transaction-related decisions to support long-term financial resilience

In 2025, companies and investors operated in a complex and dynamic global environment shaped by rapid technological change, geopolitical fragmentation, shifting trade dynamics, and evolving regulatory developments.

In this context, transactions such as mergers, acquisitions, and spin-offs featured prominently as capital allocation tools, enabling companies to streamline portfolios, reposition businesses, strengthen balance sheets, and support long-term growth prospects. Global M&A value reached a record high in 2025, rising to approximately \$4.7 trillion.² Alongside this activity, companies continued to pursue spin-offs and other business separations as part of

broader portfolio reshaping efforts. Spin-offs, asset sales, and other divestiture activity, reached approximately \$1.6 trillion, the highest level since 2021.²

BIS' engagements focused on understanding how boards and management teams evaluated these decisions in response to changing market conditions and as part of their broader approach to corporate strategy and long-term financial resilience. The case studies that follow draw on these themes and illustrate how BIS assessed company-specific circumstances to inform our voting decisions on behalf of clients.

2. McKinsey & Company. [“2026 M&A trends: Navigating a rapidly rebounding market.”](#) February 13, 2026.

Case studies

Americas

Western Digital Corporation (WDC)

Background: WDC is a U.S.-based hard drive manufacturer and data storage solutions provider. In February 2025, the company completed the planned spin-off of its Flash business. Following the separation, WDC reported improved financial performance, signaling strong artificial intelligence (AI) driven demand.^{1, 2}

In July 2025, and ahead of the November 2025 AGM, BIS engaged with members of WDC's board and executive leadership team at the company's request. WDC provided an update on its approach to a variety of business-relevant matters, including corporate strategy. During the engagement, the company highlighted relevant post spin-off developments, including the retention and expansion of its leadership team with key industry competencies and its focus on developing further market share in the mass data storage industry as AI-related demand for data solutions increases.

WDC also described its future capital allocation priorities, including further investment in key product lines. Additionally, the company described its updated approach to capital allocation following the separation, including returning capital to shareholders through its first dividend and a \$2 billion share buyback announced in April and May 2025, respectively.^{3, 4}

Outcome: The engagement provided BIS with additional context on WDC's post spin-off strategic priorities and approach to capital allocation. BIS found the discussion helpful in assessing the company's disclosures and business direction following the separation. Based on this analysis, BIS voted in support of all management recommendations at the November 2025 AGM. All management-proposed items received majority support from shareholders.⁵

All websites accessed in April 2026. 1. Western Digital Corporation. "[Western Digital Completes Planned Company Separation](#)." February 24, 2025. 2. Reuters. "[Western Digital expects quarterly revenue above estimates on strong storage demand](#)." January 29, 2026. 3. Western Digital Corporation. "[Western Digital Reports Fiscal Third Quarter 2025 Financial Results; Adopts Dividend Program and Declares Quarterly Cash Dividend on Common Stock](#)." April 30, 2025. 4. Western Digital Corporation. "[Western Digital Authorizes New \\$2.0 Billion Share Repurchase Program](#)." May 13, 2025. 5. Western Digital Corporation. "[Form 8-K](#)." November 20, 2025.

APAC

Zijin Mining Group Co. Ltd. (Zijin Mining)

Background: Zijin Mining is a Chinese-headquartered global mining company engaged in the exploration and extraction of metals including copper, gold, zinc, lithium, and silver.

In April 2025, Zijin Mining announced its plans to spin-off its overseas gold mining assets — primarily in South America, Central Asia, Africa, and Oceania — through an initial public offering (IPO) on the Hong Kong Stock Exchange.¹ The company stated that the spin-off would support its international expansion, enhancing the newly listed company's competitiveness and flexibility in overseas capital market financing and merger and acquisition transactions.

BIS engaged with Zijin Mining in May 2025 at the company's request.

During that engagement, the company shared updates on its corporate strategy and other corporate governance matters ahead of the June extraordinary general meeting (EGM) to approve the spin-off. A company representative noted that the spin-off would help support the value of the company's gold assets, while the IPO would allow parent company Zijin Mining to reduce its leverage and more efficiently raise funding through the newly listed, controlled entity.

Outcome: BIS found Zijin Mining's disclosure and information shared during the engagement helpful to understand how the spin-off supported the company's long-term corporate strategy. BIS voted in support of all management recommendations at the June 2025 EGM, including those related to the spin-off. All management proposals received majority shareholder support, including shareholder approval for the spin-off.²

1. Zijin Mining Group Co. Ltd. "Indicative Announcement in relation to the Proposed Spin-off and Listing of an Overseas Subsidiary." April 30, 2025. 2. Zijin Mining Group Co. Ltd. "Zijin Mining Holds Shareholder Meetings to Approve Strategic Initiatives." July 2, 2025, accessed in April 2026.

EMEA

Associated British Foods plc (ABF)

Background: ABF is a UK-based diversified company with a range of food and ingredients businesses, as well as the retail brand Primark.

Throughout the year, ABF took steps to shore up its businesses against market dynamics, such as the impact of tariff changes, dampened consumer confidence, and food price inflation. In particular, the company reduced loss-making processing capacity for sugar beets in Spain, closed a loss-making Vivergo bioethanol production plant in the UK, and announced the acquisition of rival bread producer, Hovis Group Limited.^{1, 2, 3} ABF disclosed in its full-year results for 2025 that its revenue fell 1% year-over-year to £19.5 billion and its adjusted operating profit fell 12% largely due to challenges facing its sugar business.¹ In November 2025, ABF announced that it was working with its largest shareholder to review its group structure, with a goal of maximizing long-term financial value.⁴ The company noted that a possible outcome of the review could be the separation of its Primark and food businesses.

At the company's request, BIS engaged with ABF's board chair and investor relations team in November 2025 to better understand its corporate strategy. The company explained that a split of its businesses would potentially raise the profile of its food unit in the market. ABF announced in April 2026 that it would proceed with the spin-off.⁵

Outcome: The engagement provided BIS with additional context on how ABF is shifting its corporate strategy to adapt to market challenges. BIS found the discussion helpful in further assessing the company's disclosures and actions it is taking to address its financial performance and long-term growth prospects. Based on this analysis, BIS voted in support of all management recommendations at the December 2025 AGM. All management-proposed items received majority support from shareholders.⁶

All websites accessed in April 2026. 1. Associated British Foods plc. "Annual Report 2025," November 2025. 2. Associated British Foods plc. "ABF announces closure of Vivergo, its UK bioethanol plant," August 15, 2025. 3. Associated British Foods plc. "ABF to acquire Hovis Group, following review of strategic options for Allied Bakeries," August 15, 2025. 4. Wall Street Journal. "AB Foods Mulls Separation of Primark, Food Businesses," November 4, 2025. 5. Associated British Foods plc. "Demerger of Retail from Food," April 21, 2026. 6. Associated British Foods plc. "Result of AGM," December 5, 2025.

Assessing contested director elections through the lens of long-term financial value creation

In 2025, shareholder activism reached record levels across markets, with activists launching 255 campaigns globally, many of which involved contested director elections or leadership change.¹ BIS evaluates each activist situation individually and votes in support of the outcome we consider to be most aligned with our clients' long-term financial interests. When assessing director elections in contested situations, we may engage with both the company and the dissident shareholder to understand their positions and inform our voting decision. In these situations, some of the factors we consider include: the qualifications and past performance of the candidates proposed by management and the dissident shareholder; the concerns identified by the dissident to justify board

changes; the viability of both the dissident's and management's plans to address any valid concerns; the ownership stake and holding period of the dissident; the likelihood that the dissident's strategy will contribute to better business and financial performance; and whether the dissident's nominees would enhance the board's ability to effectively oversee and advise management to deliver long-term shareholder value. When the board and management articulate an ability to adequately address any legitimate concerns raised by the dissident shareholder; have the requisite expertise to effectively address them; and publicly indicate the steps they will take to do so, we are inclined to support management, as in our experience, this results in a less disruptive transformation.

1. Barclays Bank PLC. "2025 was a record year for shareholder activism." January 9, 2026, accessed in April 2026.

Case study

Americas

Air Products and Chemicals, Inc. (Air Products)

Background: Air Products is a U.S. industrial gases company involved in the development of some of the world's largest clean hydrogen projects.

In 2024, an activist investor argued that Air Products was underperforming relative to peers and launched a campaign calling for strategic changes.^{2,3} The activist investor asserted that the company's underperformance

relative to peers, the S&P 500, and its own potential was "due to its flawed strategy, inappropriately high-risk capital allocation program, and poor execution."⁴ The activist investor added that the root cause of these issues was a range of oversight and governance failures at the board level, including its failure to replace the Chairman and CEO.

Websites accessed in April 2026. 2. Reuters. "Mantle Ridge nominates new board for Air Products, pushes for new CEO." November 19, 2024. 3. Mantle Ridge LP. "Refreshing Air Products." 4. BIS considers companies in the context of their peer group for the purposes of determining the competitive landscape. Peers may include, among others, companies that are self-disclosed as peers, including the company's compensation peers as disclosed in proxy filings, as well as companies within the same sub-sector and geographic region with generally comparable market capitalization.

At the company's January 2025 AGM, the board recommended that shareholders vote in favor of the election of nine directors to the board — among them the Chairman and CEO — as well as an advisory vote on executive compensation and the ratification of the auditor. The board also recommended shareholders vote against a shareholder proposal blocking any bylaw amendments.¹ The activist investor nominated four directors for election and called for the replacement of the Chairman and CEO.

BIS held three engagements with company executives and board members. During these engagements, Air Products provided an overview of its clean hydrogen strategy and the board's oversight of these significant capital projects as well as CEO succession. BIS also engaged with the activist investor.

Outcome: In BIS' view, although the activist investor had made a clear case for change at Air Products, it did not warrant the activist gaining four seats on the board. The company was strong on a number of financial measures, including its balance sheet. However, following the company's pursuit of large-scale clean hydrogen projects, Air Products had impaired its return on capital and total shareholder returns.²

BIS evaluated each of the activist investor's director nominees against incumbent board members and determined to support one dissident nominee.

He brought capital allocation expertise as a former CFO in capital-intensive businesses, which BIS considered to be skills directly applicable to the company's long-term strategy. In addition, BIS took into account steps Air Products had already taken to enhance its board oversight. In November 2024, the company announced that it would replace two of its longer-tenured directors with two new director nominees, both of whom are seasoned executives with experience leading public industrial companies.³ BIS voted in alignment with the board's recommendations across all other management and shareholder proposals.

Shareholders elected three of the four candidates the activist investor nominated to the board — with support ranging from approximately 61% to 70% — and the incumbent Chairman and CEO was not re-elected. The other two management proposals passed with majority support from shareholders, while the shareholder proposal received relatively high support of approximately 49%, although it did not pass.⁴ Following the shareholder meeting, Air Products appointed a new CEO, named one of the board's elected nominees Chairman, and appointed one of the activist investor's nominees as Vice Chairman.⁵ The company has since repositioned its focus to core air gas strategies.⁶

Websites accessed in April 2026. 1. Air Products and Chemicals, Inc. "Proxy statement for 2025 annual meeting of shareholders," December 10, 2024. 2. Mantle Ridge LP. "Definitive Additional Materials," December 10, 2024. 3. Air Products and Chemicals, Inc. "Air Products Announces Two New Independent Director Candidates as Part of Ongoing Board Refreshment," November 18, 2024. 4. Air Products and Chemicals, Inc. "Form 8-K," January 27, 2025. 5. Air Products and Chemicals, Inc. "Air Products' Board of Directors Appoints Eduardo F. Menezes CEO," February 4, 2025. 6. Air Products and Chemicals. "Proxy Statement for 2026 Annual Meeting of Shareholders," January 2026.



Spotlight

Market-based economic risks: Engaging on executive succession planning amid high CEO turnover in 2025

Boards, shareholders, and management teams widely agree that leadership succession planning, and in particular CEO succession planning, is one of the most important responsibilities of corporate boards. Research has found that poorly executed successions can negatively impact a company's value in a material way.¹ As such, succession planning is often a subject that we discuss in engagements with company leadership.

In the U.S., CEO turnover increased in 2025 even at strong performing companies. Among S&P 500 companies, CEO successions at firms in the top three performance quartiles — measured by total shareholder return — increased from 7% in 2024 to 12% in 2025.^{2,3} In other cases, CEOs departed following shareholder activist situations.

During 2025, 32 U.S. CEOs resigned within one year of an activist campaign. Of those, 16% led S&P 500 companies.⁴

In our engagements, we sought to understand how boards and management teams discuss how they are approaching CEO succession planning across both long-term transitions and emergency scenarios. These discussions often focused on the respective roles and responsibilities of the board and the incumbent CEO, the identification and development of internal successor candidates alongside consideration of external talent pools, and how companies seek to support continuity and stability during leadership transitions.

Websites accessed in April 2026. 1. Harvard Business Review. "The high cost of poor succession planning." May-June 2021. 2. The Conference Board, Inc. "Report: CEO Departures Are Rising, Even at Strong-Performing Companies." November 24, 2025. 3. The Wall Street Journal. "Companies Are Replacing CEOs in Record Numbers—and They're Getting Younger." February 15, 2026. 4. Cooley LLP. "Shareholder Activism: Trends to Consider." February 25, 2026.



Board quality and effectiveness

Companies whose boards are comprised of appropriately qualified, engaged directors, with professional characteristics relevant to a company's business, enhance the board's ability to add long-term financial value and serve as the voice of shareholders in board discussions. In our view, a strong board gives a company a competitive advantage, providing valuable oversight and contributing to the most important management decisions that support long-term financial performance.

For this reason, our investment stewardship efforts focus on the effectiveness of the board of directors. We engage, as necessary, with members of the board's nominating and/or governance committee to assess whether governance practices and board composition are effective given a company's business model, sector, market, and the business environment in which a company is operating. During 2025, BIS held 1,497 engagements with 1,282 companies to discuss various governance topics, including board composition and independent leadership, board oversight of management's strategy and approach to risk management, succession planning for key board and management roles, and the board's nomination and evaluation processes.¹

Voting on the election of directors to the board is a right of shareholders and an important signal of support for, or concern about, the performance of the board in overseeing and advising management. Some of the factors that speak to the board's effectiveness as a group include the relevance of individual directors' qualifications and skillsets, as well as directors' capacity and other time commitments, and how these factors may contribute to the company's financial performance. We look to boards to establish formal and transparent processes for nominating directors that reflect the company's long-term strategy and business model.

In 2025, BIS voted on more than 154,000 management and shareholder proposals. More than 69,000 of the proposals voted were categorized as director elections. BIS supported management's recommendation on approximately 90% of these proposals, reflecting our assessment that boards and management teams generally acted in alignment with shareholders' interests.² The four key reasons we did not support management recommendations were governance-related and have been consistent over the years: director independence, executive compensation that is not aligned with shareholder interests, board composition, and director overcommitment.²

Director independence remained the primary reason we did not support proposals categorized as director elections globally, mainly driven by votes in APAC, reflecting the prevalence of controlling shareholder structures in many markets in this region.²

Examples of BIS' engagement and voting on behalf of clients on these matters are on the following pages.

For more information, please see our commentary
"Our approach to engagement on board quality and effectiveness."

[Learn More >](#)

1. BlackRock. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025. 2. BlackRock, ISS. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025.

Director independence

Director independence — from management, significant shareholders, or other related parties — is a central tenet of sound corporate governance across markets.¹ We look to boards to have a sufficient number of independent directors, free from conflicts of interest or undue influence, to ensure objectivity in the decision-making of the board and its ability to oversee management. We generally consider it good practice for independent directors to make up a majority of the board, or in the case of controlled companies, at least one-third.

Case studies

APAC

Company Limited (First Pacific)

Background: First Pacific is a Hong Kong-based investment holding company that primarily invests in consumer food products, telecommunications, infrastructure, and natural resources.

Under the Hong Kong Corporate Governance Code and exchange listing rules, companies must have at least three independent non-executive directors (INEDs) and INEDs must constitute at least one-third of the board. In addition, local market norms have long focused on director tenure as a factor affecting independence, with the Hong Kong Stock Exchange recently updating its listing rules to cap tenure for all INEDs at nine years starting in 2031.²

In line with local market standards, where a company considers a director with nine or more years of service to be independent, BIS looks for disclosure to explain the independent classification. According to First Pacific's 2024 Annual Report, the Nomination Committee, which is responsible for reviewing the independence of INEDs, considered that "all the INEDs continued to demonstrate

strong independence in judgment."³ However, the company did not disclose sufficient information to explain how the three long-serving directors remained independent.

At the time of First Pacific's June 2025 AGM, three of five INEDs had served for at least 12 years.³ In line with our [proxy voting guidelines](#) for this market, BIS did not consider those directors to be independent. As a result, the company's board was composed of less than one-third independent directors, and several of its committees were not majority independent.

Outcome: At the June 2025 AGM, BIS did not support the re-election of two long-tenured INEDs, including the longest-serving INED who was also the only INED on the Nomination Committee on the ballot at the time. The third long-serving INED, who was the chair of the Nomination Committee, was not up for re-election at the time of the AGM. The two directors that BIS did not support were re-elected with shareholder support of approximately 80%.⁴

Websites accessed in April 2026. 1. For example, please see: Tokyo Stock Exchange. "Japan's Corporate Governance Code." June 11, 2021; Financial Reporting Council. "UK Corporate Governance Code." January 2024. 2. Starting July 1, 2028, companies must ensure that at least 50% of their independent non-executive directors (INEDs) have served less than nine years. By July 1, 2031, no INED can have more than nine consecutive years of service. Directors may continue service as non-executive directors (NED) but will not be considered as independent under the listing exchange rules. See: Hong Kong Exchange. "Corporate Governance Code," Part 2, section B.2. 3. First Pacific Company Limited. "Annual Report 2024." June 18, 2025. 4. First Pacific Company Limited. "Poll Results of the Annual General Meeting and Special General Meeting Held on 18 June 2025." June 18, 2025.

Board composition

In assessing board composition, we take into account a company's board size, business model, strategy, market capitalization, and ownership structure, as well as the market in which the company operates. We find it helpful when companies explain how their approach to board composition supports the company's governance practices. When nominating directors to the board, we look to companies to provide sufficient information on the individual candidates so that shareholders can assess the capabilities and suitability of each individual nominee and their fit within overall board composition.

Overcommitment

As the role and expectations of a director are increasingly demanding, directors must be able to commit an appropriate amount of time to board and committee matters. It is important that directors have the capacity to meet all of their responsibilities — including when there are unforeseen events — and therefore, we consider it best practice when they don't take on an excessive number of roles that would impair their ability to fulfill their duties.

APAC

CTBC Financial Holding Company (CTBC Holding)

Background: CTBC Holding is a financial services holding company based in Taiwan. Included on the agenda of the company's June 2025 AGM were management proposals providing for the election of members of the board of directors. During 2025, a non-executive director was involved in multiple legal proceedings, including one that resulted in a finding of financial misconduct related to a property transaction during the director's tenure.¹

Prior to the company's June 2025 AGM, BIS engaged with representatives from CTBC Holding to better understand

the company's approach to strategy as well as the aforementioned corporate governance matter.

Outcome: BIS did not support the elections of the non-executive director, as well as the chair of the nomination committee, at the company's June 2025 AGM. While all management-nominated director candidates received majority shareholder support, the non-executive director ultimately resigned from the board following the meeting.^{2, 3}

Websites accessed in April 2026. 1. Taipei Times, "Ex-CTBC Financial vice chairman gets jail in property scandal," May 15, 2025. 2. CTBC Financial Holding Company, "Minutes of the 2025 Annual General Meeting of Shareholders," June 13, 2025. 3. CTBC Financial Holding Company, "Announcement of the change in representative of juristic person director," June 13, 2025.

EMEA

Carlsberg A/S (Carlsberg)

Background: Carlsberg is a Danish alcoholic beverages company. On the agenda of Carlsberg's March 2025 AGM were management proposals to elect directors to the company's board.⁴ As discussed in our [proxy voting guidelines for European, Middle Eastern, and African securities](#), when a director serves on several listed company boards, it may limit their capacity to focus on each board's needs. At Carlsberg's March 2024 AGM, BIS voted to communicate director capacity-related concerns for two directors, one of whom was then serving as a CEO while also holding multiple non-executive directorships – including

at Carlsberg – and another of whom held multiple non-executive chair/board roles – alongside his Carlsberg directorship. BIS engaged with members of Carlsberg's management team before the March 2025 AGM to better understand the company's approach to board composition and director capacity.

Outcome: Following steps Carlsberg took to address the overcommitment issues of two directors over the year, BIS voted in support of all director elections at the March 2025 AGM. All director nominees received majority shareholder support.⁵

4. Carlsberg A/S, "2025 Annual General Meeting," March 17, 2025. 5. Carlsberg A/S, "Overview of votes cast at Carlsberg A/S' Annual General Meeting March 17, 2025," March 17, 2025.

Spotlight

Market-based economic risks: Observations on the governance and board oversight of generative and agentic AI

BIS considers it good practice when company boards establish and maintain a robust framework of effective governance mechanisms that supports its oversight of the company's strategy and operations, consistent with the long-term financial interests of investors. This includes having clear descriptions of the role of the board and the committees of the board and how directors engage with and oversee management. It also includes disclosure of material risks that may affect a company's long-term strategy and how management is effectively identifying, managing, and mitigating such risks.

In 2025, we observed more companies highlighting AI as a material driver of both opportunity and risk for their businesses in public disclosures.¹ The introduction of generative and agentic AI technology in recent years has accelerated this trend. Companies that identify AI as potentially material to their business models are now disclosing how AI-related factors are assessed by

management and overseen by the board. This has included boards seeking to remain abreast of company-specific AI strategies, broader AI advancements, as well as the evolving AI-related regulatory landscape.

One such company that has integrated AI-considerations into its corporate oversight activities is **HubSpot, Inc. (HubSpot)**. The U.S.-based software company has highlighted AI technology as a significant component of its future strategy in public disclosures.² At the company's request, BIS engaged with members of HubSpot's board of directors and executive management team in November 2025 to better understand its approach to board effectiveness and corporate strategy. During the engagement, the company highlighted several board efforts to further AI-related oversight and fluency, including by embedding AI governance into its board and committee processes.

1. Harvard Law School Forum on Corporate Governance. "[AI Risk Disclosures in the S&P 500: Reputation, Cybersecurity, and Regulation](#)." October 15, 2025, accessed in April 2026.

2. HubSpot, Inc. "[2025 Proxy Statement](#)." April 24, 2025.



Incentives aligned with financial value creation



Executive compensation is an important tool used by companies to support long-term financial value creation. A well-structured compensation policy rewards the successful delivery of strategic, operational, and/or financial goals; encourages an appropriate risk appetite; and aligns the interests of shareholders and executives through equity ownership.¹ To aid our understanding, BIS finds it helpful when companies make clear in their disclosures the connection between compensation policies and outcomes and the financial interests of long-term shareholders.²

When assessing compensation proposals, BIS closely reviews companies' disclosures to determine whether the board's approach to executive compensation is rigorous in light of the company's stated long-term corporate strategy and specific circumstances, as well as local market and policy developments. Where BIS finds apparent misalignment between executive pay and company performance, or has other concerns about a company's compensation policies, we may engage to better understand the company's approach. In 2025, BIS held 961 engagements with 831 companies on incentives aligned with financial value creation.³

When our analysis indicates that executive compensation is misaligned with company performance, BIS may not support compensation-related management proposals, where they are on the agenda, e.g., "Say on Pay," remuneration policies and reports, or grant approvals, among others, which are common practice in markets such as Australia, the U.S., and the UK.⁴ We may also not support members of the compensation committee or equivalent board members for misaligned compensation practices or structures.

BIS supported approximately 84% (14,716 out of 17,554) of compensation-related management proposals put to a shareholder vote during 2025.⁵ Our support was largely driven by many companies' clear articulation of how their policies align with shareholders' long-term financial interests, particularly around how short- and long-term incentive plans complement one another and are effective in rewarding executives who deliver long-term financial value.

Globally, BIS did not support 1,017 proposals categorized as director elections at 594 companies due to concerns about the alignment of their approach to executive compensation with shareholders' long-term financial interests during 2025.⁵

BIS' analysis of executive compensation takes into account local market and company-specific circumstances. In the U.S. market, our analysis continued to focus on compensation programs that included awards outside of established plans, limited linkage between pay outcomes and long-term financial performance, or insufficient explanation of how compensation program design supported corporate strategy. Executive compensation also continued to be a focus in certain APAC markets where local provisions allow shareholders to escalate concerns on compensation-related matters over successive years, such as the Australian market. In EMEA, some UK companies continued to seek shareholder approval for changes to their remuneration plans, including the increased use of time-based awards, often citing competitiveness in global talent markets. We have continued to take a case-by-case approach to changes to remuneration structures and supported companies who clearly demonstrate in their disclosures how the proposed policies support long-term value creation. In Continental European markets, our most common concerns remained the use of discretion by remuneration committees and the adequacy of disclosures explaining the link between pay and performance. Examples of these developments, and how BIS engaged and voted on behalf of clients on executive compensation matters across regions are included in the following pages.

For more information, please see our commentary
**"Our approach to engagement on incentives
aligned with financial value creation."**

[Learn More >](#)

1. The terms "compensation," "remuneration," and "pay" are used interchangeably to describe the same concept in different markets. 2. A compensation outcome generally relates to the payout of a performance-conditioned pay component, and reflects both the construction of the pay program as well as the performance of the company and executives against defined performance objectives. 3. BlackRock. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025. 4. The terminology can vary across markets, but "Say on Pay" is the generic expression referring to the ability of shareholders to vote on a company's compensation policy, plan, and/or practices. For select markets in EMEA, this term may also refer to shareholders' ability to vote on the report companies publish on the implementation of its policies. 5. BlackRock, ISS. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025.

Case studies

Americas

Shopify Inc. (Shopify)

Background: Shopify is a Canadian e-commerce company.

At Shopify's June 2024 AGM, BIS did not support three executive compensation-related management proposals and the nomination of a director responsible for overseeing Shopify's compensation practices.¹ At the time, BIS' assessment found that Shopify's stock option plan and long-term incentive plan were each excessively dilutive to existing minority shareholders and not aligned with the long-term financial interests of BlackRock's clients. The director received approximately 76% investor support.² Support for the executive compensation-related management proposals ranged from approximately 63% to 69%.²

Ahead of its June 2025 AGM and at Shopify's request, BIS engaged with company representatives, including the talent team. The representatives discussed the company's board refreshment and its approach to executive compensation.

In particular, Shopify described efforts made by the board's Compensation and Talent Management Committee to establish performance targets for its executive compensation plans.

Outcome: The agenda for the June 2025 AGM included several management proposals, covering director elections, a non-binding advisory vote on the company's executive compensation, and other corporate governance matters.³ BIS voted against the advisory vote on the company's executive compensation because, in our analysis, we determined it was not clear how executive pay was linked to the company's performance. Additionally, the team did not support the re-election of a member of the Compensation and Talent Management Committee, which oversees the practices and disclosure related to executive compensation. The director was re-elected with approximately 75% shareholder support, while the advisory vote was approved with approximately 60% support.⁴

Websites accessed in April 2026. 1. Shopify Inc. "Notice of Meeting and Management Information Circular for the Annual General and Special Meeting of Shareholders of Shopify Inc. to be held June 4, 2024." April 19, 2024. 2. Shopify Inc. "Shopify Announces Results of its 2024 Annual Meeting of Shareholders." June 5, 2024. 3. Shopify Inc. "Notice of Meeting and Management Information Circular for the Annual General Meeting of Shareholders of Shopify Inc. to be held June 17, 2025." April 7, 2025. 4. Shopify Inc. "Shopify Announces Results of its 2025 Annual Meeting of Shareholders." June 18, 2025.

APAC

Takeda Pharmaceutical Co., Ltd. (Takeda Pharmaceutical)

Background: Takeda Pharmaceutical is a Japanese pharmaceutical company.

BIS has engaged with Takeda Pharmaceutical to better understand the alignment of its executive compensation plans with its long-term financial value creation over the past several years, including in June 2024 and June 2025. During the June 2024 engagement with the chair of Takeda Pharmaceutical's Compensation Committee, the company noted ways in which it anticipated enhancing its disclosures for 2025 to provide investors with insights into how the committee evaluated the effectiveness of the compensation plan.

Included on the ballot of the company's June 2025 AGM were management proposals providing for the election of directors to the board, as well as the approval of an annual

bonus to certain directors.¹ Prior to the June 2025 AGM, BIS engaged with Takeda Pharmaceutical to discuss its disclosed executive compensation plans.

Outcome: BIS did not support the election of the Compensation Committee chair and the approval of the annual bonus to certain board directors at the June 2025 AGM. In our assessment of the company's updated disclosure, we identified a continued misalignment between pay and performance, alongside insufficient disclosure on the effectiveness of the remuneration policies in incentivizing long-term financial value creation. The director election and annual bonus received, respectively, approximately 89% and 68% support from shareholders.²

1. Takeda Pharmaceutical Co., Ltd. "Notice of Convocation of the 149th Annual General Meeting of Shareholders." June 3, 2025. 2. Takeda Pharmaceutical Co., Ltd. "Results of the Exercise of Voting Rights of the 149th Annual General Meeting of Shareholders." June 25, 2025.

EMEA

Unilever Plc (Unilever)

Background: Unilever is a UK-headquartered consumer goods company with global operations across four business segments.¹

BIS has engaged with Unilever and its global subsidiaries regularly over the past few years. In these engagements, the company has shared updates about its corporate strategy, governance structure, board effectiveness and director qualifications, approach to climate-related risks and opportunities, and general business management and risk oversight.

At Unilever's request, BIS held several engagements with the company in 2025, where members of the company's board, executive team, and investor relations team highlighted changes in the company's executive director compensation practices. At an April 2025 engagement before the AGM, board members described the process for determining the pay package for the newly appointed CEO.²

The ballot for the April 2025 AGM included several director elections — among them the new CEO — and a proposal to approve the 2024 remuneration report. The report detailed how the company implemented the 2024 remuneration policy and outlined changes that became effective in 2025, such as an increase in the CEO's base compensation.³

Outcome: BIS supported management's recommendation on all of the proposals, including the remuneration report. Despite being a first-time CEO, BIS' analysis found that the CEO's pay package reflected his long-standing experience with the company, as well as benchmarking against industry peers.^{3,4} Additionally, the company's strong financial performance mitigated potential concerns about the link between the new CEO's pay and company performance.⁵ Shareholders approved the remuneration report with approximately 72% support. All other proposals received support ranging from approximately 92% to 99%.⁶

1. Unilever PLC. "Our brands." 2. Unilever PLC. "Directors' Remuneration Report." 2025. 3. Unilever PLC. "Chair's letter and Notice of Meeting." March 2025. 4. Unilever PLC. "Unilever Board update." February 25, 2025. 5. Unilever PLC. "Unilever Annual Report and Accounts 2024." March 2025. 6. Unilever PLC. "Results of Annual General Meeting." April 30, 2025.

Spotlight

Market-based economic risks: Executive pay competitiveness and evolving global talent markets

During 2025, we observed certain EMEA-based companies seek shareholder approval to grant larger pay packages – mostly combining base salary and variable compensation – and increase their use of time-based awards, which typically vest over a defined period and may be subject to continued service and/or performance conditions. In their disclosures, companies have stated that these updated packages enable closer alignment with compensation offered in the U.S. market, thereby improving their competitiveness in attracting and retaining global talent.

As outlined in BIS' [EMEA proxy voting guidelines](#), when assessing the link between pay and performance, BIS looks for a transparent and cogent explanation of the remuneration framework, including a clear articulation of how executive pay supports the company's stated strategy and incorporates long-term financial value drivers.

BIS also considers the balance between fixed and variable pay, the selection of performance measures and associated targets, the length of vesting and/or holding periods, the overall complexity of incentive arrangements, and the extent to which remuneration beyond salary and benefits is structured as variable pay tied to relevant and challenging performance criteria aligned with strategic objectives.

Sage Group Plc, a UK-listed software company, was one such company which proposed amendments to its remuneration policies at its February 2025 AGM. The company updated its program following significant growth in its business, and related efforts to ensure such policies remained competitive in the U.S. market, where a majority of its revenue is generated. BIS voted in favor of the proposed amendments, which received approximately 81% shareholder support.¹

1. Sage Group Plc. "[Results of AGM](#)." February 6, 2025, accessed in April 2026.



Climate and natural capital

Climate-related risks

Many companies are assessing how to navigate the low-carbon transition while delivering long-term financial value to investors. For companies facing material climate-related risks, we find it helpful when they publicly disclose, consistent with their business model and sector, how they intend to deliver long-term financial performance through the low-carbon transition, including, where available, their transition plan.¹

Companies determine the most appropriate approach for addressing the material climate-related risks and opportunities relevant to their specific operations, if any. Through company disclosures and engagement, we seek to understand the strategies companies have in place to manage material risks to – and opportunities for – their long-term business models associated with a range of climate-related scenarios. Recognizing the value of these disclosures, certain markets, such as the European Union, mandate large companies to disclose such climate-related financial information, while in other jurisdictions these disclosures are considered best practice.²

In 2025, BIS held 707 engagements with 615 companies on climate and natural capital.³ In addition to company disclosures, these engagements helped BIS better understand how companies approach material climate and nature-related risks and opportunities in their business models, including the role of company boards in overseeing management. We also observed companies continuing to align their disclosures with evolving regulatory developments and shifting market practices across jurisdictions.

During 2025, BIS voted on more than 69,000 proposals categorized as director elections.⁴ Globally, we did not support 47 of these proposals at 45 companies due to concerns related to inadequate disclosure, including transparency regarding effective board oversight of climate-related risks and opportunities.⁴

We followed this approach at the April and May AGMs of three Philippines-based companies: financials company **BDO Unibank, Inc.**, as well as conglomerates **JG Summit Holdings, Inc.** and **SM Investments Corporation**. In instances where individual director elections are not on the ballot, we may vote against the discharge of directors, as we did at the March AGMs for two Turkish companies: **Eregli Demir ve Celik Fabrikalari TAS**, a producer of iron and steel rolled products as well as glass and chemicals producer **Turkiye Sise Ve Cam Fabrikalari AS**.

BIS has also observed cases where companies have evolved their disclosures related to material climate-related risks over several years. For example, at **NV Bekaert SA (Bekaert)**, a Belgian steel manufacturer, BIS did not support the election of the longest-tenured director, reflecting the limited visibility at the time into how the company addressed these topics.

The company has disclosed that its production processes are energy intensive and incorporate resources with a high carbon footprint.⁵ Bekaert identified potential underperformance of its sustainability targets, including for emission reduction, as a material risk that “can also cause reputational damage and affect [its] position as a preferred partner to customers and investors.” For 2025, Bekaert provided clearer descriptions of how its board and management oversee climate-related risks and opportunities, along with a more comprehensive overview of its approach to sustainability, aligned with the European Sustainability Reporting Standards (ESRS). At the May 2025 AGM, BIS supported the election of directors responsible for climate risk oversight.

As explained earlier in this report, independence-related concerns were the primary reason we did not support proposals categorized as director elections, globally.⁴ In addition, we did not support 39 management proposals for climate reasons at 38 companies in the APAC region – primarily voting against the approval of board reports.⁶

Under BIS’ Benchmark Policies, the team did not vote in support of any shareholder proposals addressing climate- or natural capital-related risks and opportunities in 2025.⁴ A significant percentage were over-reaching, lacked economic merit, or sought outcomes that were unlikely to promote long-term financial value. The majority also addressed business risks that companies already had processes in place to address, making them redundant.

In the following pages, we provide a range of examples illustrating our engagement with companies on material climate-related risks and opportunities. In many cases, these engagements helped shape our voting decisions on shareholder proposals across regions.

For more information, please see our commentary
“Climate-related risks and the low-carbon transition.”

[Learn More >](#)

Websites accessed in April 2026. 1. We have observed that more companies are developing such plans, and public policymakers in certain markets are signaling their intentions to require them or already have requirements in place, such as Australia, Brazil, and the European Union (please see the [International Transition Plan Network](#) for information). We view transition plans as a method for a company to both internally assess and externally communicate its long-term strategy, ambition, objectives, and actions to create financial value through the global transition towards a low-carbon economy. Across the landscape there remains divergence on the objectives of such plans and the details they should contain. While transition plans can be helpful disclosure, BIS does not make the preparation and production of transition plans a voting issue. BIS may engage companies that have chosen to publish a transition plan to understand their planned actions and resource implications. 2. For example, climate-related disclosure requirements are under review in the EU (the Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD)), and finalized in Singapore, Hong Kong, Canada, and Australia. Other markets, including the UK, Japan, and Canada, are consulting, have recently completed consultations, or have proposed draft legislation on their proposals to introduce disclosure requirements. 3. BlackRock. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025. 4. BlackRock, ISS. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025. 5. NV Bekaert SA. “Annual Report 2024.” March 2026. 6. BlackRock, ISS. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025. In 2025, we voted against 39 management proposals – in addition to those categorized as director elections – for climate reasons at 38 companies. These votes were all against the approval of board reports in the APAC region. Board report votes are generally advisory and relate to reports issued by the board of directors that may contain information on a company’s sustainability efforts, operational resilience, or financial condition, among others.

Case studies

Americas/EMEA

Linde plc (Linde)

Background: Linde is a public limited company formed under the laws of Ireland with its principal offices in the UK and the U.S. Linde is a global industrial gases and engineering company serving end markets such as chemicals and energy, food and beverages, electronics, healthcare, manufacturing, and metals and mining.¹

In March 2025, BIS engaged with the CEO to understand the company's business and strategy. During the engagement, BIS learned more about the company's approach to risk management as well as its decarbonization strategy. As part of this strategy, many of Linde's industrial gases products enable its customers to reduce their carbon emissions. These include green and blue hydrogen plants and similar capital projects.

At the company's request, BIS engaged with management in June 2025 in advance of the July 2025 AGM. The engagement focused on a shareholder proposal requesting the company produce an annual report on the alignment of its direct and indirect lobbying activities with its 2050 climate neutrality goal.² The board recommended voting against the proposal as the company's current public disclosures substantially met the request. These disclosures include Linde's annual Sustainable Development Report,

its detailed responses to the CDP Climate Change questionnaire, and its climate transition plan.^{3,4}

Separately, Linde's disclosures provided detail about how the company was managing financially material climate-related risks and opportunities, including mitigating the climate impacts of the company's operations. In particular, the 2024 Sustainable Development Report discloses that Linde had achieved its targeted 35% improvement in greenhouse gas (GHG) intensity vs. adjusted EBITDA. The company shared that it was on track to meet its target of a 35% absolute reduction in scope 1 and 2 GHG emissions by 2035.³ Additionally, the company shared details on how it had integrated GHG emissions reduction goals into its executive compensation program, with 20% of the strategic, non-financial performance award tied to the company's GHG emissions reduction goals.^{2,5}

Outcome: At the July 2025 AGM, BIS supported management's recommendation on all proposals, including voting against the aforementioned shareholder proposal. All management proposals received majority shareholder support. The shareholder proposal was not acted upon by Linde's shareholders as neither the proponent nor a representative attended the AGM as required.⁶

Websites accessed in April 2026. 1. Linde plc. "About us." 2. Linde plc. "Notice of 2025 Annual General Meeting of Shareholders and Proxy Statement," April 30, 2025. 3. See the following sources: Linde plc. "2024 Sustainable Development Report," 2025; Linde plc. "2024 CDP Corporate Questionnaire 2024," October 2024; Linde plc. "Climate Transition Plan," July 2023. 4. These documents disclose the company's key trade and other association memberships and lobbying/advocacy activities, including those related to climate change. 5. Linde plc. "35 by 35" and Climate Neutrality Ambition." 6. Linde plc. "Form 8-K," August 2025.

APAC/EMEA

Rio Tinto plc and Rio Tinto Ltd (Rio Tinto)

Background: Rio Tinto is a large mining company that is dual listed, with Rio Tinto plc listed on the London Stock Exchange and Rio Tinto Ltd listed on the Australian Securities Exchange. As a result of this structure, the company holds annual shareholder meetings in both the UK and Australia, and BIS has engaged with both entities over several years.¹

Rio Tinto disclosed that climate change presents material physical and transition risks if it fails to align its portfolio with the net zero transition. For example, the company stated that “carbon pricing mechanisms currently apply to part of [its] operations and to some of [its] customers. If climate policy ambition increases globally, this may affect [its] operational costs, market dynamics and technology development.”²

At Rio Tinto’s request, in August 2024, BIS engaged with company representatives who oversaw and advised on the company’s approach to managing climate-related risks and opportunities. During the engagement, the company focused on its climate action plan, for which it was seeking shareholder approval at its April and May 2025 AGMs.³

In particular, the company shared that it planned to maintain its existing scope 1 and 2 emissions reduction target, with an ultimate target of net zero operational emissions by 2050.

At a March 2025 engagement, Rio Tinto’s chairman highlighted opportunities arising from the increased demand for the company’s products, such as copper and iron, as well as increased demand for energy infrastructure.⁴

Outcome: Along with the climate action plan, the agendas for the April and May 2025 AGMs included management proposals on the election of directors, approval of executive compensation, and other corporate governance matters.³ Both agendas also included a shareholder proposal requesting that the company review the impact of unifying Rio Tinto under a single Australian-domiciled holding company.

BIS supported management’s recommendations on all proposals, and all received majority shareholder support at the April and May 2025 AGMs. BIS did not support the shareholder proposal because, in our view, it would have been overly constraining to management’s decision making and it was unclear how the unification would improve operational efficiencies. The shareholder proposal did not reach the threshold for approval, with approximately 19% shareholder support.⁵

Websites accessed in April 2026. 1. Rio Tinto, “Dual listed companies structure.” 2. Rio Tinto, “Annual Report 2025.” February 2026. 3. Rio Tinto, “Annual general meetings.” Please see the documents titled “Rio Tinto plc 2025 AGM – Notice of Meeting” and “Rio Tinto Limited 2025 AGM – Notice of Meeting.” 4. Rio Tinto, “7 things the world will need for a low-carbon future.” 5. Rio Tinto, “Annual general meetings.” Please see the document titled “Rio Tinto 2025 AGM – Results of Annual General Meetings.”

Natural capital

For companies whose strategies, operations, or supply chains are materially reliant on natural capital, nature-related risks and opportunities may affect their ability to generate long-term financial returns.¹ Where natural capital is financially material to the long-term strategy of companies, we rely on disclosures to assess risk oversight and to understand how nature-related impacts and dependencies are managed.²

Recognizing that natural capital is a broad and complex topic for companies to address, we focus on the governance of three key components — land use and deforestation, water, and biodiversity — which may affect the long-term financial returns of companies with material exposure.³

Companies with material nature-related risks and opportunities may benefit from robust governance and oversight of these areas, which can support durable financial value creation through operational efficiency, enhanced management capabilities, and innovation.

For more information, please see our commentary **“Our approach to engagement on natural capital.”**

[Learn More >](#)

Spotlight

Market-based observations: Our approach to engagement on water risk management

A number of sectors and industries — such as agriculture, pharmaceuticals, manufacturing, technology, apparel, food, and beverage production — are heavily dependent on fresh water.⁴ Given the scarcity of this natural resource in certain locations, overexploitation, pollution, or other factors may result in governmental regulations that restrict water availability and usage.

For companies with material dependencies on water, this may result in business interruptions. BlackRock’s analysis shows that companies that use water efficiently have historically delivered higher financial returns than companies that are more water inefficient — with a particularly pronounced (and proportional) difference

in performance between companies located in areas experiencing water stress.^{5, 6}

As with other topics, BIS engages with companies to understand how management assesses and discloses water-related risks, opportunities, impacts, and dependencies identified as financially material to the company’s business model. The following case studies showcase how BIS engaged with various companies across industries on their approach to water risk management in 2025. The information from these engagements and public disclosure helped to inform the team’s understanding of the companies’ business models and BIS’ voting decisions on behalf of clients.

4. World Bank. “[Water in Agriculture](#).” Last updated on July 26, 2023, accessed in April 2026. 5. Past performance is not indicative of future results. Source: BlackRock Investment Institute and Aladdin Climate® (Aladdin® Climate is a suite of climate analytics including forward looking scenario analysis and net zero alignment analytics. Aladdin® is a proprietary investment and risk management platform), with data from MSCI and World Resource Institute, as of December 2025. Notes: This analysis is based off of the return on assets from MSCI ACWI companies that report on their water withdrawals. BlackRock measures water stress as the regional ratio of total water withdrawals to total water availability, and efficiency is measured by water withdrawal intensity. Companies with less than median average water withdrawal intensity are considered “high efficiency.” Regions experiencing water stress are identified using the “baseline water stress” metric provided by the World Resource Institute Aqueduct 3.0 tool. Each company’s water stress score is based on the water stress severity across the locations of their assets. 6. BlackRock Investment Institute. “[Capital at risk: nature through an investment lens](#).” August 2024.

Websites accessed in April 2026. 1. See Taskforce on Nature-related Financial Disclosures (TNFD). “[Evidence review on the financial effects of nature-related risks](#).” June 2025, and; BloombergNEF. “[When the Bee Stings Counting the Cost of Nature-Related Risks](#).” December 9, 2023. 2. Given the growing awareness of the materiality of these issues for certain businesses, enhanced reporting on a company’s natural capital dependencies and impacts would aid investors’ understanding. The recommendations of the [TNFD](#) may prove useful to some companies. We recognize that some companies may report using different standards, which may be required by regulation, or one of a number of other private sector standards. TNFD-aligned reporting is not a voting issue. 3. These themes may not capture all possible natural capital factors that companies may consider material, nor are they necessarily isolated from one another. We prioritize land use, water and biodiversity for engagement, as appropriate, as they are most likely to be, or become, material to companies in the near future. The interconnectedness of these components contributes to the availability of natural capital on which companies and economies globally depend on to operate effectively.

Case study

Americas

Skyworks Solutions, Inc. (Skyworks)

Background: Skyworks is a U.S.-based developer and manufacturer of semiconductor products that uses water in its production process.

BIS engaged with Skyworks' board chair and investor relations team at the company's request and in advance of its May 2025 AGM. At the engagement, the company discussed shareholder proposals on the agenda for its May 2025 AGM, and shared updates on several corporate governance matters, including its approach to managing material climate- and natural capital-related risks and opportunities.¹

Among other updates, the company highlighted its newly constructed municipal wastewater treatment plant at a facility in Mexico, which began operations in October 2024 to support the company's efforts to mitigate its impact on freshwater resources.² The plant treats wastewater from the municipality of Mexicali and uses the clean, recycled water in the company's production processes to reduce reliance on fresh water. The company estimates the plant will reduce its fresh water withdrawals from municipal water utilities by over 100 million gallons annually at peak capacity.

Outcome: BIS found the information shared during the engagement and public disclosures helpful in understanding the company's approach to water risk management in highly water-constrained regions.

BIS supported management's recommendations on all proposals at the May 2025 AGM, with the exception of one of two shareholder proposals. BIS voted against a shareholder proposal requesting that Skyworks disclose all material scope 3 GHG emissions, as BIS agreed with the company's view that, given Skyworks' existing goals, initiatives, and disclosures, as well as the evolving scope 3 emissions landscape, the proposal was not in the best interests of shareholders.¹ BIS supported the governance-related shareholder proposal requesting the adoption of simple majority voting.

All management proposals received majority shareholder support, ranging from approximately 90% to 99%. The governance-related shareholder proposal passed with approximately 98% shareholder support. The environmental-related shareholder proposal received approximately 21% shareholder support and did not pass.³

1. Skyworks Solutions, Inc. "2024 Annual Report and Notice of 2025 Annual Meeting and Proxy Statement," March 2025. 2. Skyworks Solutions, Inc. "2024 Sustainability Report," February 2025. 3. Skyworks Solutions, Inc. "Form 8-K," May 14, 2025



Company impacts on people

In our experience, companies that invest in the relationships that are critical to their strategic objectives are more likely to deliver durable, long-term financial performance. By contrast, we have found that poor relationships may create adverse impacts that could expose companies to legal, regulatory, operational, and reputational risks. This is particularly relevant to a company's workforce, which is central to long-term financial value creation.

Over 2025, BIS held 786 engagements with 694 companies to learn how they are approaching the risks and opportunities associated with their impacts on people.¹ In the following pages, we share examples of how we engaged companies to learn about their approaches to managing business-relevant human capital management and human rights-related risks and opportunities.

In many cases, we found these engagements helpful to further inform our voting on shareholder proposals. The themes that were raised in these shareholder proposals included labor issues, human rights due diligence, supply chain management risks, Indigenous Peoples' rights, and the use of AI, among others. While certain shareholder proposals on company impacts on people may have related to a material risk for a company, in our assessment, many of them sought an outcome that was already substantively addressed by the company's existing disclosures or not aligned with shareholders' long-term financial interests.

Human capital management

In our engagements, BIS focuses on understanding the effectiveness of boards and management in ensuring a company has the workforce necessary for delivering long-term financial performance. Our discussions cover material workforce-related risks and opportunities, which may include how a company promotes a workforce with a variety of experiences, perspectives, and skillsets to identify financially relevant opportunities and risks; enhance job quality and employee engagement; enable career development; promote positive labor relations, safe working conditions, and fair wages; and consider human rights.

For more information, please see our commentary **“Our approach to engagement on human capital management.”**

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Companies' human rights impacts

From an investor's perspective, unmanaged potential or actual adverse human rights issues can expose companies to significant legal, regulatory, operational, and reputational risks. These risks can materialize in a variety of ways and may damage a company's standing with business partners, customers, and communities. BIS engages with companies to understand how they are overseeing and managing the material business risks associated with human rights issues and monitoring the effectiveness of their human rights practices on a “best efforts” basis.

For more information, please see our commentary **“Our approach to engagement on corporate human rights risks.”**

[Learn More >](#)

1. BlackRock. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025.

BIS supported three out of the 222 shareholder proposals related to company impacts on people that we voted on.¹ All three shareholder proposals sought additional disclosure on U.S. companies' approach to corporate political activities.²

Regulatory and policy changes may present material risks to companies. To address these risks, companies may engage in a number of political activities, within legal and regulatory limits, to support their preferred outcome on public policy matters material to their long-term strategies.³

These activities may include direct lobbying of government officials, public responses to proposed regulatory changes or legislation, and political contributions. Participation in industry and trade associations may also help companies to stay informed about developments likely to impact their industry.

1. BlackRock, ISS. Sourced on March 27, 2026, reflecting data from January 1, 2025, through December 31, 2025. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market. 2. Corporate political activities may include lobbying as defined by local regulations, policy engagement (including trade association memberships), and corporate political contributions. 3. Regulations differ across markets. For example, in the U.S., while lobbying is constitutionally protected free speech under the First Amendment, federal law requires corporations register individual employees engaged in lobbying activity as lobbyists if they meet the standards under the Lobbying Disclosure Act of 1995 and disclose the corporation's expenses related to federal lobbying. Local jurisdictions may set their own laws on what constitutes lobbying and is disclosed to relevant governments. Further, U.S. federal law prohibits corporations from making political contributions in connection with federal elections. However, corporations are permitted to make independent expenditures in support of a candidate and may establish a Political Action Committee (PAC) funded by voluntary contributions from a restricted class of eligible employees. Federal law requires campaigns, political party committees, and PACs to publicly report the identity of their contributors and contributions made by them. In addition to federal laws, there are also various state and local laws governing corporate contributions in those jurisdictions. Some states and localities also require additional company-specific filings.

Case studies

Americas

Alphabet, Inc. (Alphabet)

Background: U.S.-based Alphabet is a collection of companies, the largest of which is Google Services.

At Alphabet's June 2025 AGM, the ballot included management proposals, and a range of shareholder proposals. One such shareholder proposal requested that the company conduct an independent human rights impact assessment (HRIA) of its policies and practices related to AI-driven targeted advertising.⁴

Approximately 85% of Alphabet's fiscal year 2025 revenues were derived from AI-enabled advertising.⁵ Failure to comply with the EU Digital Services Act 2022/2065 and forthcoming EU Artificial Intelligence Act 2024/1689, which outline due diligence obligations to protect fundamental human rights, could result in penalties up to 6% of global annual revenue for systemic non-compliance.⁶ BIS supported a similar proposal at Alphabet's June 2024 AGM given our assessment that the independent HRIA would help investors understand the effectiveness of the human rights due diligence carried out by Alphabet in relation to this material operational risk.

Outcome: At the June 2025 AGM, BIS supported management's recommendations on the election of directors and the aforementioned AI-related shareholder proposal. In particular, the team noted changes to the company's AI-related disclosures — including the publication of updated safety frameworks — as well as its annually published advertising safety report.^{7,8} All management proposals and no shareholder proposals received majority support at the June 2025 AGM.⁹ The shareholder proposals were not approved, with support ranging from less than 1% to 31%.⁹

In December, BIS engaged with Alphabet to further understand its approach to board effectiveness and director qualifications, as well as the company's governance structure. Alphabet shared that its board had approved the formation of a dedicated Risk and Compliance Committee to strengthen its risk management framework. The committee assists the board in its oversight of regulatory compliance as well as legal, policy, reputational, and operational risks.¹⁰ We found the update helpful to understanding the company's oversight of material risks and opportunities.

Websites accessed in April 2026. 4. Alphabet, Inc. "Notice of 2025 Annual Meeting of Stockholders and Proxy Statement." April 25, 2025. 5. Alphabet, Inc. "Form 10-K." February 4, 2026. 6. See the following sources: European Union. "Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC (Digital Services Act)." Published in October 2022; and European Union. "Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act)." Published in June 2024. 7. Alphabet Inc. "Google's Secure AI Framework." 8. Alphabet Inc. "2024 Ads Safety Report." 9. Alphabet Inc. "2025 Annual Meeting of Stockholders." 10. Alphabet Inc. "Risk and Compliance Committee."

Shareholder proposals requesting additional disclosure and/or oversight of corporate political activities are among the most commonly filed. BIS may support a shareholder proposal requesting additional disclosure where increased transparency would help investors understand the companies' governance and oversight processes for managing the material risks associated with corporate political activities, including relevant policies and procedures. When BIS votes in support of a proposal, on behalf of clients, we are not necessarily endorsing every element of the proposal or the reasoning, objectives, or supporting statement of the proponent. In each of the three corporate political activities-related shareholder proposals that BIS supported, we did not agree with all aspects of the proponent's requests.

APAC

POSCO Holdings Co. (POSCO)

Background: POSCO is the largest steelmaking conglomerate in South Korea, with a diversified industrial production in related downstream and emerging businesses.

POSCO views health and safety-related risks as financially material, given the potential for operational shutdowns and related legal and regulatory risks. As such, the company has been strengthening its safety framework and controls in recent years. Notably, the company has developed a range of “smart safety technologies,” such as a walking robot used in high-risk inspection activities.¹

In December 2025, and at the request of the company, BIS engaged with members of POSCO's board of directors and executive leadership to discuss its approach to several business matters, including strengthening of the company's safety culture in light of a recent series of accidents.²

Outcome: The engagement was helpful in improving our understanding of POSCO's approach to managing health and safety-related risks. The company shared that its board recognizes the need to transition away from a traditional production-centric mindset to establish a “safety first” culture, with various measures implemented to achieve the shift. For instance, POSCO is moving to a more comprehensive supplier assessment, reflecting its view that its historical preference for the lowest cost suppliers may have had implications for worker safety. In our assessment, the board appears to be directing an appropriate level of attention to health and safety-related risks, and the company is taking appropriate actions to strengthen its safety practices.

1. POSCO Holdings Co. “The Age of Physical AI Is Here: Where POSCO Group Sees Opportunity in Robotics,” March 17, 2026, accessed in April 2026. 2. This case study reflects insights gained from an engagement to better understand the company's approach to health and safety-related risks. The company's AGM took place in March 2026 and as such, the outcome does not include AGM voting results.



Appendix

Appendix I – Voting statistics for BIS Benchmark Policies

		Americas	EMEA	APAC	Global Total
Management proposals					
Director elections	Support management	25,238	12,724	23,276	61,238
	Not support management	1,648	2,322	2,457	6,427
Board-related	Support management	649	2,199	3,129	5,977
	Not support management	122	516	1,161	1,799
Compensation	Support management	4,915	5,053	4,748	14,716
	Not support management	556	1,314	968	2,838
Capital structure	Support management	1,338	6,766	8,448	16,552
	Not support management	94	327	943	1,364
Strategic transactions	Support management	434	1,313	3,392	5,139
	Not support management	34	181	1,187	1,402
Takeover defense	Support management	281	533	74	888
	Not support management	32	21	46	99
Auditor	Support management	4,218	2,855	3,081	10,154
	Not support management	1	199	37	237
Mutual funds	Support management	8	50	0	58
	Not support management	0	0	0	0
Company impacts on people, Climate and natural capital	Support management	17	492	30	539
	Not support management	0	76	15	91
Other	Support management	1,331	6,786	9,640	17,757
	Not support management	656	779	2,708	4,143

Source: BlackRock, ISS. Sourced on March 27, 2026. Reflecting data from January 1, 2025, to December 31, 2025. Reflects BlackRock's proposal taxonomy. "Support" means BIS voted in alignment with management's voting recommendations. "Not support" means BIS voted differently from management's voting recommendations.

		Americas	EMEA	APAC	Global Total
Shareholder proposals					
Governance	Support management	223	169	396	788
	Not support management	48	23	69	140
Company impacts on people, Climate and natural capital	Support management	313	22	75	410
	Not support management	3	0	0	3
Board-related	Support management	61	61	59	181
	Not support management	7	23	4	34
Director elections	Support management	82	155	955	1,192
	Not support management	16	101	55	172
Other	Support management	13	48	140	201
	Not support management	0	37	68	105

Source: BlackRock, ISS. Sourced on March 27, 2026. Reflecting data from January 1, 2025, to December 31, 2025. Reflects BlackRock's proposal taxonomy. "Support" means BIS voted in alignment with management's voting recommendations. "Not support" means BIS voted differently from management's voting recommendations.

Appendix II – Proposal terminology explained

Proxy voting data reflects BlackRock’s management and shareholder proposal categories in alignment with BlackRock’s proposal taxonomy. BlackRock’s proposal taxonomy is a comprehensive representation of BlackRock’s proxy voting activity on behalf of clients, built in response to their informational and reporting needs.

Management proposals

Auditor – proposals related to the appointment and compensation of external auditors serving corporations.

Board-related – a category of management-originated, board-related proposals (excluding director elections), pertaining to advisory board matters, alternate and deputy directors, board policies, board committees, board composition, among others.

Capital Structure – generally involves authorizations for debt or equity issuances, dividends and buybacks, stock splits, and conversions of securities.

Climate and natural capital – includes management originated proposals related to environmental issues, such as proposals to approve a company’s climate action plan, commonly referred to as “Say on Climate.”

Company impacts on people – includes management-originated proposals relating to a range of social issues such as corporate social responsibility and approving corporate donations, among others.

Compensation – proposals concerning executive compensation policies and reports (including “Say on Pay,” “Say on Pay Frequency,” and approving individual grants), director compensation, equity compensation plans, and golden parachutes.

Director election – a category of management-originated proposals which includes the election, discharge, and dismissal of directors.

Mutual funds – proposals related to investment management agreements and the structure of mutual funds.

Other – covers an assortment of common management-originated proposals, including formal approvals of reports, name changes, and technical bylaws, among many others.

Strategic transactions – involves significant transactions requiring shareholder approval like divestment, mergers and acquisition, and investment.

Takeover defense – proposals concerning shareholder rights, the adoption of “poison pills,” and thresholds for approval, among others.

Shareholder proposals

Board-related – a category of shareholder-originated, board-related proposals (excluding director elections), pertaining to advisory board matters, alternate and deputy directors, board policies, board committees, board composition, among others.

Climate and natural capital – covers shareholder originated proposals relating to reports on climate risk, emissions, natural capital, and sustainability, among others.

Company impacts on people – includes shareholder-originated proposals relating to a range of social issues such as reports on human capital management and human rights, among others.

Director-election – a category of shareholder-originated proposals which includes the election, discharge, and dismissal of directors.

Governance – generally involves key corporate governance matters affecting shareholder rights including governance mechanisms and related article/bylaw amendments, as well as proposals on compensation. Includes shareholder proposals customary in certain markets that are generally endorsed or unopposed by management.

Other – includes non-routine procedural items and other voting matters.

APPENDIX III – The BIS proxy voting process

1. Onboarding

For portfolios where BlackRock is authorized to vote, BIS onboards the portfolio to be voted on the electronic voting platform.

2. Reconciliation

BIS then reconciles portfolio holdings with upcoming shareholder meetings to ensure BIS is voting all positions we are entitled to.

3. Ballot creation

When a company announces an upcoming shareholder meeting, custodian banks send voting entitlements to a ballot distributor who in turn distributes proxy ballots to the external proxy service vendor.

4. Ballot reception, research, and issue spotting

The respective BIS analyst is alerted to a shareholder meeting allocated to them by entering the external proxy service vendor's electronic platform. The BIS analyst reviews company materials, broker research, third-party data, and other publicly available information, as necessary. The BIS analyst then applies the BIS regional voting guidelines to determine how to vote on behalf of clients. Straightforward meetings proceed to vote execution while the remainder are flagged for additional research.

5. Review and engagement

In the case of particularly complicated or controversial matters, the BIS analyst conducts in depth research and may engage with the company's executives or board to inform voting decisions. The BIS analyst discusses issues and vote options with BIS colleagues and the relevant BIS' regional heads and/or oversight committees, as appropriate.

6. Vote execution

The BIS analyst executes the final vote decisions. Per BIS policy, where applicable, the independent third-party voting service provider supplies vote recommendations to mitigate potential conflicts of interest.

7. Reporting

BIS provides portfolio—level engagement and vote reports to clients and complies with relevant regulatory reporting such as SEC Form N—PX.¹ Lastly, BIS makes public its voting record, annual report, and quarterly engagement statistics on its website.

1. Every year, BlackRock submits its global voting record to the U.S. SEC through the filing of Form N-PX, the annual form that mutual funds and other registered investment companies are required to submit disclosing how they voted proxy ballots. Form N-PX is to be filed not later than August 31 of each year, containing the proxy voting record for the most recent 12-month period ended June 30. See: "[Form N-PX](#)."

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