

# Shareholder Rights

## Directive II – Implementation of Engagement Policy

### Investment Stewardship

In this document, you can find information on how BlackRock has implemented its [Shareholder Rights Directive II – Engagement Policy](#) during the period 1 July 2020 to 30 June 2021. This is intended to replace the [prior statement](#) concerning implementation during the period 1 July 2019 to 30 June 2020. This July-June period represents the U.S. Securities and Exchange Commission's (SEC) 12-month reporting period for U.S. mutual funds, including iShares®. In 2021, we have moved to producing primary reporting on our stewardship activities on a calendar year basis, and going forward we intend to report on implementation under the Shareholder Rights Directive II on this same calendar year basis.

### Annual and quarterly reports

BlackRock advocates for corporate governance and sustainable business models core to long-term value creation for our clients. Our [2020 Calendar Year Annual Report](#) covers the work of the BlackRock Investment Stewardship (BIS) team from 1 January to 31 December 2020. This report is supplemented by our 2021 Voting Spotlight report, "[Pursuing long-term value for our clients](#)," which aims to provide insight into our stewardship activities – primarily through a focus on proxy voting – from 1 July 2020 to 30 June 2021.

The reports are part of our commitment to transparency in our investment stewardship activities. We believe they will provide further clarity and insight to our clients, the companies they are invested in, and our other stakeholders about our approach to investment stewardship and the environmental, social and governance (ESG) matters that are critical to long-term value creation. We are moving to reporting on a calendar year basis as we observe that, like BlackRock, many of our clients find that cycle more relevant to their own reporting, such as that required under the 2020 UK Stewardship Code or the UN Principles for Responsible Investment.

BIS also publishes [quarterly stewardship reports](#) to further demonstrate our approach to corporate governance. In 2020, we consolidated our formerly regional quarterly reports into a single global report that highlights our perspective on a wide range of global issues, as well as regional case studies that illustrate our engagements and voting analyses in a given quarter.

### Disclosure of votes

On a quarterly basis effective the first quarter of 2020, BIS published its voting record by proposal for each of the shareholder meetings that have taken place globally. In that record, we provide a high-level explanation for certain notable votes. Vote disclosures for the meetings that took place from 1 July 2020 to 30 June 2021 can be found [here](#).

Proxy vote information disclosed on that site reflects BIS' position. Portfolio managers have full discretion to vote the shares in the funds they manage based on their analysis of the economic impact of a particular ballot item. While ballots are frequently cast in a uniform manner reflecting BIS' position, portfolio managers may, and sometimes do, vote shares in the funds under their management different from the BIS position. These votes are not reflected on this site but are disclosed separately to the extent required by law. This includes votes deemed not to be insignificant for the purposes of the Shareholder Rights Directive II (details of which can be found [here](#)) and those required to be disclosed in BlackRock's annual Form N-PX filings with the SEC.

## Most significant votes

BIS prioritizes its work around themes that we believe will encourage sound governance practices and deliver sustainable long-term financial performance at the companies in which we invest on behalf of our clients. BIS' year-round engagements with clients to understand their focus areas and expectations, as well as our active participation in market-wide policy debates, help inform these priorities. The themes we have identified are reflected and updated annually in our Global Principles, market-specific voting guidelines and engagement priorities; these public documents underpin our stewardship activities and form the benchmark against which we look at the sustainable long-term financial performance of investee companies.

During the period 1 July 2020 to 30 June 2021, BIS periodically published "Vote Bulletins" on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients. These bulletins are intended to explain our vote decisions relating to a range of business issues including ESG matters that we consider, based on our global principles and engagement priorities, potentially material to a company's sustainable long-term financial performance. Other factors we may consider in deciding to publish a vote bulletin include the profile of the issue in question, the level of interest we expect in the vote decision and the extent of engagement we have had with the company. The bulletins include relevant company-specific background, sector or local market context, and engagement history when applicable.

BIS publishes vote bulletins after the shareholder meeting to provide transparency for clients and other stakeholders on our approach to the votes that we consider to be most significant and thus require more detailed explanation. As noted above, we publish details of other significant votes (including vote rationales, where applicable) quarterly on the BIS [website](#).

## Use of proxy advisers

BIS subscribes to two global research providers and several market-specific research providers, as an input to support our research capabilities. However, our voting and engagement analysis is determined by several key inputs including a company's own disclosures and our record of past engagements. BlackRock does not follow any single proxy research firm's voting recommendations.

## Want to know more?

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