After its inception in 2016, BlackRock Investment Management (Taiwan) Co Limited (BlackRock), supported the objectives of the “Stewardship Principles for Institutional Investors” (Principles), and declared compliance with the Principles.

As a fiduciary asset manager, BlackRock’s pursuit of good corporate governance stems from our responsibility to protect and enhance the economic value of the companies in which we invest on behalf of our clients. Encouraging the highest standards of board leadership and executive management in these companies is central to achieving that goal. The BlackRock Investment Stewardship (BIS) team helps the firm to fulfill our duties as a fiduciary investor through monitoring and engaging with companies to promote business practices that deliver long-term value to our clients.

We have set out below our approach to the recommendations of the Principles. Any questions on this statement or BlackRock’s approach to stewardship more generally should be addressed to Amar Gill, Head of BIS APAC at stewardshipapac@blackrock.com.

**Principle 1: Establish and disclose stewardship policies**

BlackRock’s Global Corporate Governance and Engagement Principles, as well as our market-specific corporate governance and proxy voting guidelines, are published on our website. In these we explain our philosophy on stewardship including how we monitor and engage with companies, our voting policy, our integrated approach to stewardship matters, and how we deal with conflicts of interest. These policies apply across different asset classes and products as permitted by investment strategies. These documents are reviewed annually and updated as necessary. The stewardship work of the BIS team is coordinated across our global investment teams in an effort to deliver a consistent message to companies. We publish a quarterly review of our activities and an annual summary of voting and engagement statistics on our website.

**Principle 2: Establish and disclose policies on managing conflicts of interest**

BlackRock maintains policies and procedures that are designed to prevent undue influence on BlackRock’s proxy voting activity that might stem from any relationship between the issuer of a proxy (or any dissident shareholder) and BlackRock, BlackRock’s affiliates, a Fund (or BlackRock’s segregated client) or a Fund’s (or BlackRock’s segregated client’s) affiliates.

BlackRock employs a two-pronged strategy for managing conflicts with respect to proxy voting, in a form of:

- structural separation, and
- use of independent fiduciaries

BlackRock maintains a reporting structure that separates the Global Head of BIS and the BIS team from BlackRock employees with sales responsibilities. All issuers are treated equally, regardless of whether they are clients or business partners; none is given special treatment or differentiated access to the BIS team.

http://www.blackrock.com/stewardship
We prioritize engagements based on our level of concern and the likelihood that engagement might lead to positive change. If a client (or business partner) contacted their relationship manager or a BlackRock senior executive regarding an upcoming shareholder meeting, they are referred into our normal process.

In certain instances, BlackRock engages an independent fiduciary to vote proxies as a further safeguard to avoid potential conflicts of interest or as otherwise required by applicable law. Independent fiduciaries apply BlackRock’s public policies to reach an independent conclusion regarding what is in the economic best interest of investors, and the shares are voted accordingly.

**Principle 3: Regularly monitor investee companies**

BlackRock’s fundamental equity portfolio managers and the BIS team on behalf of all other equity investment teams, monitor and, when appropriate, engage with investee companies. Our approach is explained in our Global Corporate Governance and Engagement Principles and our Asia ex-Japan and Hong Kong guidelines.

**Principle 4: Maintain an appropriate dialogue and interaction with investee companies**

Our engagement is intended to promote sustainable financial performance by investee companies. Our aim is to reach a mutual understanding with investee companies of the issues relevant to long-term performance. At times, we will not reach agreement with a company on either the issues or the best way to address them. Each engagement is tailored for the individual company and driven by the particular issues that have led to the decision to engage.

We generally do not make public statements about our engagements or propose shareholder resolutions. Our preference is to engage privately as we believe it better serves the long-term interests of our clients to establish relationships, and a reputation with companies that enhances rather than hinders dialogue.

BlackRock will work with other investors when we believe it is likely to enhance our ability to engage with a company or to achieve the desired outcome, and it is permitted by law and regulation. To that end, BlackRock is an active member of nearly 30 formal groups and initiatives internationally that facilitate communication between shareholders and companies on corporate governance and social and environmental matters. We will also engage collectively on matters of public policy, when appropriate.

**Principle 5: Establish clear voting policies and disclose voting results**

BlackRock’s voting guidelines are published on our website. BlackRock’s voting policy is intended to promote business practices that contribute to sustainable long-term financial performance. In deciding how to vote, the team reviews a range of information such as research from proxy advisory firms, company materials, broker research, and other publicly available information. We may also consult with our portfolio managers on votes that are directly linked to financial performance. We use proxy advisor services for proxy advice based on our voting policies, research on shareholder meetings, client reporting and proxy voting operations.

In our Global Corporate Governance and Engagement Principles we explain our approach to reporting to clients. We disclose our voting record publicly each year.

**Principle 6: Periodically disclose to clients or beneficiaries about status of fulfilment of stewardship responsibilities**

BlackRock maintains a record of our voting, engagement and other stewardship activities. We publish a quarterly report on selected voting and engagement highlights, statistics and market developments on our website. We may also engage directly with clients on our stewardship work where that is of interest to them.

A Global Investment Stewardship Oversight Committee is responsible for ensuring that BlackRock complies with its fiduciary and regulatory responsibilities to its clients with respect to proxy voting, and complies with market level stewardship codes where applicable.