

# **2019 Annual Engagement and Voting Statistics**

July 1, 2018 – June 30, 2019

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## Introduction

This report provides summary statistics of BlackRock Investment Stewardship's engagements with companies and voting at shareholder meetings. It distills statistics provided for each region in our quarterly engagement and voting reports.

The Investment Stewardship Annual Report, available on the [BlackRock website](#), reviews BlackRock's approach to corporate governance and stewardship in support of long-term value creation for our clients. Our Annual Report reporting period is July 1, 2018 to June 30, 2019, representing the United States Securities and Exchange Commission's (SEC) 12-month reporting period for U.S. mutual funds, including iShares.

We file a record of our proxy votes with the SEC each year ended for BlackRock's funds. Our voting record for that period can also be found on the [BlackRock website](#).

If you would like additional information, please contact:  
[ContactStewardship@blackrock.com](mailto:ContactStewardship@blackrock.com)

# 2019 Annual Engagement and Voting Statistics

## **BlackRock Investment Stewardship's 2019 Corporate Engagement and Voting Statistics**

BlackRock, as a fiduciary investor, has a duty to act in our clients' best interests. This includes protecting and enhancing the value of the assets they have entrusted to us. The BlackRock Investment Stewardship team contributes to this through the engagements, including proxy voting, we do with the companies in which we invest on their behalf. We believe that good corporate governance—driven by strong board and executive leadership and by sound governance policies—delivers long-term shareholder value and the returns our clients depend on and expect.

The key to effective engagement is constructive and private communication. Engagement allows us to share our philosophy on and approach to investment and corporate governance with companies. Through dialogue, we make clear our expectations of companies in relation to their governance and business practices, including their management of relevant environmental and social factors. Equally, it gives us the opportunity to improve our understanding of investee companies and how their governance and management structures support operational excellence and thus sustainable financial performance.

# Annual Engagement Statistics

## We engage with companies for five main reasons:

- We are preparing to vote at the company's shareholder meeting and need to clarify the information in company disclosures
- There has been an event at the company that has impacted its performance or may impact long-term company value
- The company is in a sector or market where there is a thematic governance issue material to shareholder value
- Our corporate governance risk analysis has identified the company as lagging its peers on environmental, social or governance matters that may impact long-term value
- A company requests a meeting to discuss substantive governance matters

## Engagement for current year: July 1, 2018 to June 30, 2019<sup>†</sup>

Region	Total	Focus of Engagement*		
		Environmental	Social	Governance
Americas	855	146	117	775
United Kingdom	261	18	36	251
EMEA (ex-UK)	300	21	61	284
Japan	397	55	75	394
Asia-Pacific (ex-Japan)	237	51	69	227
<b>Totals</b>	<b>2,050</b>	<b>316</b>	<b>353</b>	<b>1,931</b>

## Engagement for current year: July 1, 2017 to June 30, 2018<sup>†</sup>

Region	Total	Focus of Engagement*		
		Environmental	Social	Governance
Americas	845	129	157	728
United Kingdom	282	24	31	270
EMEA (ex-UK)	314	64	57	297
Japan	345	48	78	325
Asia-Pacific (ex-Japan)	263	36	79	237
<b>Totals</b>	<b>2,049</b>	<b>301</b>	<b>402</b>	<b>1,857</b>

\*Most engagement conversations cover multiple topics. Our engagement statistics reflect the primary engagement topic for which the meeting was called

Source: BlackRock on July 15, 2019

<sup>†</sup>The 12-month period represents the SEC reporting period for U.S. mutual funds, including iShares.

# Annual Voting Statistics

Voting at shareholder meetings is the most broad-based form of engagement we have with companies. It enables investors to provide feedback to the company and, where relevant, encourage the board and management team to consider and address investor concerns. We make our voting decisions on a case-by-case basis in the context of our published voting guidelines for each region. Our starting position is generally to support management, engaging where we have concerns that the board or management

might not be acting in the best long-term economic interests of shareholders such as our clients. We aim to give companies time to respond, recognizing that sometimes governance changes can take many months. We will vote against a company's proposals if we believe that the issue under consideration is clearly not in our clients' economic interests, the company does not wish to engage with us or engagement fails to resolve our concerns.

## Voting for current year: July 1, 2018 to June 30, 2019†

Region	Total number of meetings voted	Total number of proposals voted	% of meetings voted against one or more management recommendations	% of proposals voted against management recommendation
United States	3,896	31,570	34%	7%
Americas (ex-US)	1,070	10,147	49%	10%
United Kingdom	840	11,672	30%	5%
EMEA (ex-UK)	2,507	34,926	53%	11%
Japan	2,164	22,465	37%	5%
Asia-Pacific (ex-Japan)	5,647	44,351	36%	9%
<b>Total</b>	<b>16,124</b>	<b>155,131</b>	<b>39%</b>	<b>8%</b>

## Voting for current year: July 1, 2017 to June 30, 2018†

Region	Total number of meetings voted	Total number of proposals voted	% of meetings voted against one or more management recommendations	% of proposals voted against management recommendation
United States	3,904	31,265	29%	5%
Americas (ex-US)	1,108	9,993	50%	10%
United Kingdom	861	11,718	30%	5%
EMEA (ex-UK)	2,593	35,420	55%	12%
Japan	2,142	21,202	37%	5%
Asia-Pacific (ex-Japan)	6,543	49,344	35%	10%
<b>Total</b>	<b>17,151</b>	<b>158,942</b>	<b>38%</b>	<b>8%</b>

Source: ISS Proxy Exchange on July 15, 2019

†The 12-month period represents the SEC reporting period for U.S. mutual funds, including iShares.

# Proposals by Type

We collate the proposals on which shareholders are asked to vote into ten categories. The vast majority of proposals are routine and relate to the election of directors and board governance matters. This is not surprising given the important role played by directors in representing and protecting shareholder interests. The proposals on which

BlackRock votes against management vary from market-to-market but tend to be related to executive pay, director elections, takeover protections and capitalization. We may also support certain shareholder proposals seeking improvements in corporate governance and business practices.

## Votes against management by proposal type for the current year: July 1, 2018 – June 30, 2019

Region		Global	United States	Americas (ex-US)	United Kingdom	EMEA (ex-UK)	Japan	Asia-Pacific (ex-Japan)
<b>Management Proposals</b>								
<b>Anti-takeover and related proposals</b>	total number of proposals voted	1,158	446	50	454	88	71	49
	% of proposals voted against management	13%	7%	6%	0%	51%	93%	2%
<b>Capitalization</b>	total number of proposals voted	14,542	390	278	2,513	3,443	28	7,890
	% of proposals voted against management	11%	5%	7%	1%	11%	11%	14%
<b>Election of directors and related proposals</b>	total number of proposals voted	79,572	21,985	6,147	4,685	13,906	19,176	13,673
	% of proposals voted against management	8%	8%	6%	10%	11%	5%	8%
<b>Non-salary compensation</b>	total number of proposals voted	13,349	4,312	602	963	3,663	956	2,853
	% of proposals voted against management	16%	6%	12%	11%	29%	12%	19%
<b>Mergers, acquisitions and reorganizations</b>	total number of proposals voted	7,292	275	226	116	624	562	5,489
	% of proposals voted against management	11%	1%	11%	1%	12%	3%	13%
<b>Routine business</b>	total number of proposals voted	34,974	3,559	2,595	2,883	11,978	1,504	12,455
	% of proposals voted against management	5%	2%	21%	0%	6%	1%	4%
<b>Shareholder Proposals</b>								
<b>Compensation</b>	total number of proposals voted	177	39	21	2	31	12	72
	% of proposals voted against management	9%	3%	5%	0%	0%	8%	18%
<b>Corporate Governance</b>	total number of proposals voted	358	46	8	0%	18	7	279
	% of proposals voted against management	10%	48%	50%	0%	6%	14%	3%
<b>Election of directors and related proposals</b>	total number of proposals voted	2,150	251	177	25	484	52	1,161
	% of proposals voted against management	3%	12%	0%	0%	1%	14%	2%
<b>Miscellaneous business</b>	total number of proposals voted	824	217	24	7	153	97	326
	% of proposals voted against management	5%	6%	0%	0%	3%	5%	5%

# Proposal Terminology Explained

## Management Proposals

**Anti-takeover Related** – proposals concerning shareholder rights, the adoption of “poison pills”, and thresholds for approval, among others.

**Capitalization** – generally involves authorizations for stock issuances, private placements, stock splits, and conversions of securities.

**Election of Directors and Related** – a broad category which includes the election of directors, supervisory board matters, declassification of boards, implementation of majority voting, among others.

**Non-salary Compensation** – covers shareholder approvals of compensation related matters like advisory or binding votes on remuneration, omnibus stock plans, vote frequency, and special compensation situations.

**Mergers, Acquisitions, and Reorganizations** – involves significant transactions requiring shareholder approval like spin-offs and asset sales, as well as changes to company jurisdiction or structure.

**Routine Business** – covers formal approvals of reports, name changes, and technical bylaws, among many others.

## Shareholder Proposals

**Compensation** – compensation, perquisites, and other executive compensation policies.

**Corporate Governance** – key corporate governance matters affecting shareholders rights including governance mechanisms and related article/bylaw amendments.

**Election of Directors and Related Proposals** – elections to the board of directors, and other governance provisions related to the board.

**Routine Business / miscellaneous** – resolutions regarding social and environmental matters that may have an impact on company operations, including shareholder proposals relating to procedural matters.

## Votes against management by proposal type for the current year: July 1, 2017 – June 30, 2018

Region		Global	United States	Americas (ex-US)	United Kingdom	EMEA (ex-UK)	Japan	Asia-Pacific (ex-Japan)
<b>Management Proposals</b>								
<b>Anti-takeover and related proposals</b>	total number of proposals voted	1,207	502	53	453	89	54	56
	% of proposals voted against management	12%	8%	11%	0%	49%	93%	2%
<b>Capitalization</b>	total number of proposals voted	15,389	480	251	2,508	3,542	24	8,584
	% of proposals voted against management	11%	7%	12%	1%	12%	17%	14%
<b>Election of directors and related proposals</b>	total number of proposals voted	78,674	21,348	5,981	4,603	14,254	17,895	14,593
	% of proposals voted against management	6%	4%	5%	9%	11%	5%	5%
<b>Non-salary compensation</b>	total number of proposals voted	13,292	4,388*	586	1,131	3,599	909	2,679
	% of proposals voted against management	19%	11%*	13%	10%	33%	12%	19%
<b>Mergers, acquisitions and reorganizations</b>	total number of proposals voted	8,304	306	178	109	723	561	6,427
	% of proposals voted against management	13%	2%	12%	5%	10%	6%	15%
<b>Routine business</b>	total number of proposals voted	37,616	3,615	2,677	2,879	12,072	1,591	14,782
	% of proposals voted against management	5%	2%	20%	0%	7%	0%	3%
<b>Shareholder Proposals</b>								
<b>Compensation</b>	total number of proposals voted	87	37	14	0	10	8	18
	% of proposals voted against management	5%	3%	0%	0%	0%	0%	17%
<b>Corporate Governance</b>	total number of proposals voted	223	41	7	0	6	6	163
	% of proposals voted against management	16%	49%	57%	0%	17%	50%	3%
<b>Election of directors and related proposals</b>	total number of proposals voted	2,720	281	179	17	578	50	1,615
	% of proposals voted against management	3%	11%	0%	0%	1%	4%	2%
<b>Miscellaneous business</b>	total number of proposals voted	868	241	51	8	115	104	349
	% of proposals voted against management	5%	7%	0%	0%	1%	6%	5%

\*The changes in this category during the reporting period are associated with reassigned voting in Bermuda and the Cayman Island from the Americas ex-USA region to the Asia ex-Japan region as most of the company's operational headquarters are domiciled with the Asia-Pacific ex-Japan region.



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