

Statement on compliance

Shareholder Rights Directive II – Implementation of Engagement Policy

In this document, you can find information on how BlackRock has implemented its Shareholder Rights Directive II – Engagement Policy during the period 1 January to 31 December 2021. This is intended to update and supersede the [prior statement](#) concerning implementation during the period 1 July 2020 to 30 June 2021. In that prior statement, we noted that in 2021 we moved to producing primary reporting on our stewardship activities on a calendar year basis, and that going forward we intended to report on implementation under the Shareholder Rights Directive II on this same calendar year basis. That is the reason why this statement relates in part to a period already covered by the prior statement.

Annual and Supplementary Reports

BlackRock Investment Stewardship (BIS) engages with companies to promote corporate governance standards that the team believes contribute to companies' abilities to deliver the durable, long-term profitability BlackRock's clients depend on to meet their long-term financial goals. Our [Investment Stewardship Annual Report](#) covers the work of the BIS team from 1 January to 31 December 2021. This report is part of our commitment to transparency in our investment stewardship activities. We believe it 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 issues that are critical to long-term value creation.

BIS also published stewardship reports in respect of activities undertaken in [Q1 2021](#) and [Q3 2021](#), as well as a [2021 Voting Spotlight](#). These reports further demonstrate our approach to corporate governance and, with regard to the 2021 Voting Spotlight, aims to provide insight into our stewardship activities through a focus on proxy voting during the 2021 proxy season.

Disclosure of votes

On a quarterly basis effective the first quarter of 2020, BIS has 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 January to 31 December 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 U.S. Securities and Exchange Commission.

Most significant votes

BIS prioritizes its work around themes that we believe can affect a company's ability to deliver long-term durable financial returns. 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 January to 31 December 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

Proxy research firms are a critical component in the proxy voting system, providing research and recommendations on proxy votes. Proxy research firms also provide voting infrastructure, and some provide consulting services to public companies. For example, to facilitate voting and record keeping of votes, BIS contracts with the proxy service provider Institutional Shareholder Services (ISS) and leverages its online proxy voting platform, ProxyExchange.

It is important to note that although proxy research firms provide important data and analysis, BIS does not rely solely on their information, nor do we follow any single proxy research firm’s voting recommendations.

In most markets, BIS subscribes to two research providers. We use several other inputs to support the BIS team in assessing a company’s approach to multiple ESG risks and opportunities, as well as to arrive to an informed voting decision on behalf of clients. A company’s disclosures, BIS’ record of past engagements and voting, and ESG insights shared across multiple teams at BlackRock are the primary tools to inform our voting decision on behalf of clients. Where BlackRock has been authorized by clients to vote proxies, BIS votes in accordance with our [Global Principles and market-specific voting guidelines](#).

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