BlackRock.

Investment Stewardship Annual Report

September 2020

SCROLL

We advocate for robust corporate governance and the sound and sustainable business practices core to long-term value creation for our clients.

This report, part of our commitment to transparency in our investment stewardship activities, complements our July report, Our approach to sustainability. Our goal is to provide clarity and insight to our clients, the companies they are invested in, and our other stakeholders about our approach to investment stewardship and environmental, social, and governance (ESG) issues of focus. These considerations have never been more critical to long-term investors given the challenges societies face in addressing the immediate impacts on communities and the economy from the COVID-19 pandemic, and more deep-seated issues of racial and social equality, climate change, and economic resilience.

Our Annual Report reporting period is July 1, 2019 to June 30, 2020, representing the Securities and Exchange Commission's (SEC) 12-month reporting period for U.S. mutual funds, including iShares.

Report contents

Foreword

Sandy Boss

Global Head of Investment Stewardship

"BlackRock Investment Stewardship (BIS) plays a fundamental role in the activation of BlackRock's purpose of helping more and more people experience financial well-being."

Purpose, sound governance, and strong leadership

BlackRock Investment Stewardship (BIS) plays a fundamental role in the activation of BlackRock's purpose of helping more and more people experience financial well-being. Consistent with the firm's fiduciary duty, we engage with companies to advocate for the sound governance and business practices that drive the sustainable, long-term financial returns that enable our clients to meet their investing goals.

Our expectations of boards of directors and executive management are higher than ever

We are a long-term shareholder in the companies in which our clients are invested. We look to boards and executive management to serve the interests of long-term shareholders and other stakeholders.

Our active and ongoing dialogue with the leaders of these companies gives us a valuable perspective on the business challenges they face and their strategies for overcoming them. This very difficult year has provided the clearest demonstration yet that strong, purposeful leadership is essential to a company's resilience and ability to recover from shocks and disruptions.

For this reason, we take a firm line in holding accountable the management and boards of directors of these businesses when we do not see sufficient progress on the issues that matter in creating sustainable, long-term value for our clients, who are the ultimate owners of these companies.

This year, BIS opposed the re-election of over 5,100 directors — more than ever before — sending a strong signal of concern when companies did not make sufficient progress on issues that are central to long-term value creation. We raised questions on board quality, taking voting action against directors for lack of independence on the board, insufficient board diversity, and overcommitment. We also held directors to account for not meeting our expectations on climate risk management or disclosures, and for management and compensation policies inconsistent with sustainable long-term financial performance.

Engaging corporate leaders has never been more important

This year BIS had over 3,000 in-depth conversations with corporate leadership — a record number and an increase of more than half over last year. In our more than 1,000 engagements on corporate strategy and 400 engagements on the impact of COVID-19, we found many companies to be fundamentally re-examining their social and economic contract with their stakeholders, placing them at the heart of their recovery strategy. Increasingly, companies share our conviction that a strategy founded upon a clearly articulated purpose will generate sustainable value, and be rewarded by more patient, long-term capital.

Our commitment to Investment Stewardship continues to grow even further

When I arrived at BlackRock as Global Head of Investment Stewardship in May, I joined the largest and most global stewardship team of any asset manager in the world. Over the last few months, I have been working closely — albeit virtually — with my colleagues, as well as spending time meeting with clients and portfolio companies. I have been impressed by the way our team has engaged thoughtfully with company leaders facing unprecedented challenges, while maintaining an unwavering commitment to our fiduciary duty. I am also energized by the team's commitment to constantly improve and expand our stewardship efforts, in order to improve governance standards worldwide and help our clients achieve their long-term investment goals.

A priority for us in 2020, in line with the commitment made to our clients in January, has been to increase transparency around our stewardship work. To this end, I am pleased to report that we published 45 vote bulletins on high profile votes as of August this year, four and a half times as many as in the prior three years combined. Furthermore, we initiated quarterly disclosures of our engagement activity and voting record, and published KPIs for each of our engagement priorities, mapping them to the UN Sustainable Development Goals. We continue to invest in the stewardship capabilities our clients depend upon to look after their interests in the companies in which they are invested. We will keep pushing to drive progress on transparency around stewardship.

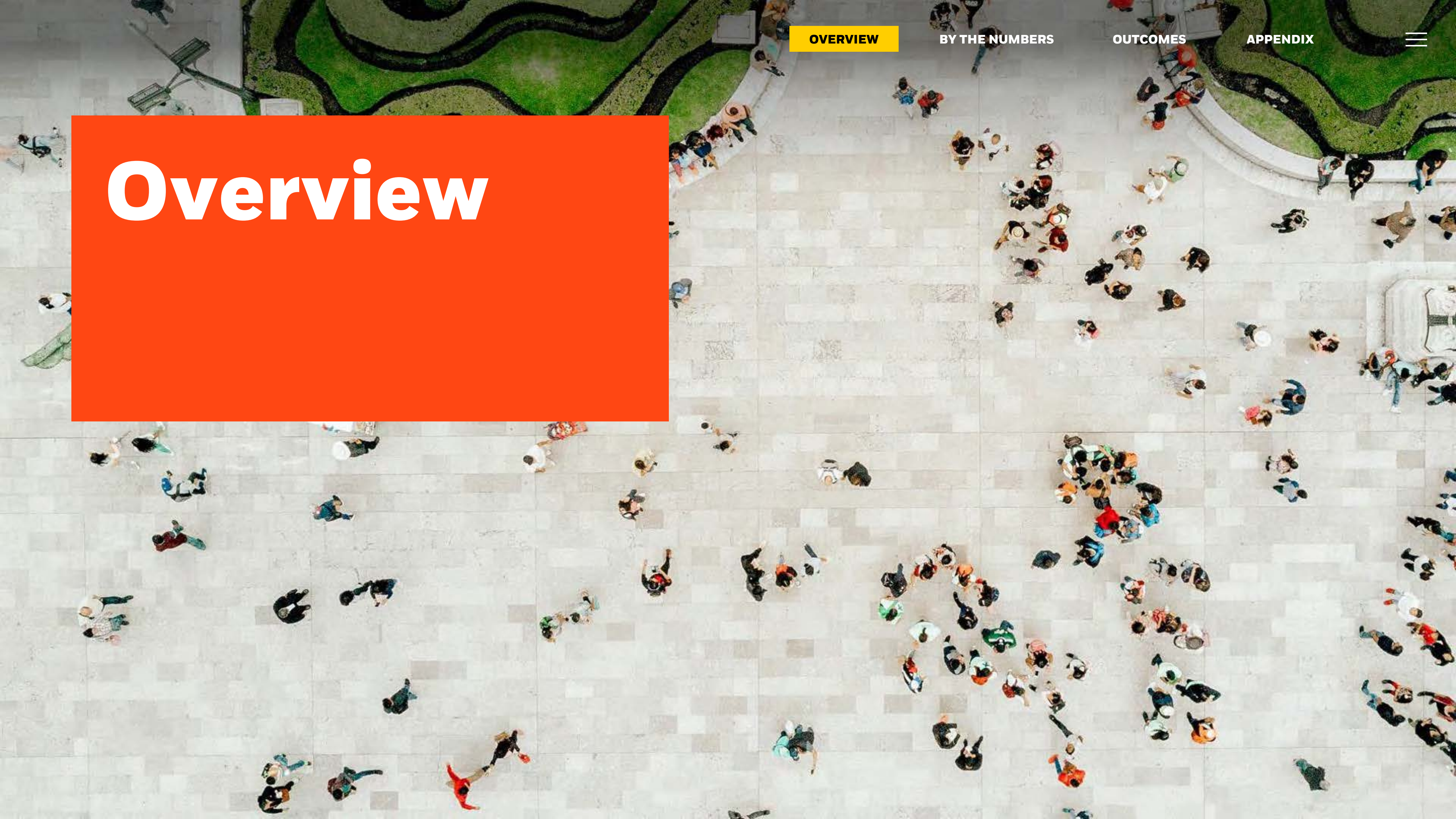
Investor and societal expectations continue to rise

The significant social and economic dislocation caused by COVID-19 has further brought to the fore the need for the private sector to take a more active role in tackling global challenges. Climate change, social and racial equity, and demographic and technological shifts all expose companies to material business risks, which in turn present risks to the long-term value of our clients' investments.

In the year ahead, we anticipate more engagement and voting to be focused on the extent to which companies are addressing these issues within their businesses. We are currently reviewing our engagement priorities and voting guidelines and will provide more detail in the coming months, including how we intend to reflect them in our voting actions in the next proxy season. We will be engaging with corporate leaders on how they plan to adapt their strategies and business practices to enhance their resilience. And we will be looking to companies to explain the difficult choices they have had to make and how they have balanced the interests of their various stakeholders.

We expect a year of continuing disruption and uncertainty. Yet we remain convinced that companies focused on their purpose, with a credible strategy to deliver for all their stakeholders, will be well-positioned to create sustainable, long-term value for our clients.

Overview



BlackRock Investment Stewardship

Our fiduciary responsibility

BlackRock Investment Stewardship's (BIS) activities are a crucial component of our fiduciary duty to our clients. Investment stewardship is how we use our voice as an investor to promote sound corporate governance and business practices to help maximize long-term shareholder value for our clients, the vast majority of whom are investing for long-term goals such as retirement. In addition to direct dialogue with the companies in which our clients invest, we help shape norms in corporate governance, sustainability, and stewardship through active participation in private sector initiatives and the public policy debate. In the reporting year from July 1, 2019 to July 30, 2020, we responded formally to seven policy consultations and spoke at more than 180 events to advance sound governance and sustainable business practices.

Promoting sound corporate governance is at the heart of our stewardship program. We believe that high-quality leadership and business management is essential to delivering sustainable financial performance. That is why we focus on board quality, effectiveness, and accountability across the broad universe of companies globally that our clients are invested in.

Engagement and voting are the two most frequently used instruments in BIS' stewardship toolkit.

Engagement

is how we build our understanding of a company's approach to governance and sustainable business practices, and how we communicate our views and ensure companies understand our expectations.

Voting

is how we hold companies accountable when they fall short of our expectations. Our voting takes two forms: we might vote against directors or other management proposals, or we might vote to support a shareholder proposal.

More engagements with more companies than ever before

In the 2019-20 reporting period, we had more engagements* with more companies than ever before, covering 61% by value of our clients' equity investments. Where companies fell short of our expectations and were not responsive to our feedback, we voted against key items of business on the shareholder meeting ballot.

As shown in the "By the numbers" section, we held companies accountable for not acting in the interests of long-term shareholders by voting against at least one management proposal at 37% of the approximately 16,200 shareholder meetings at which we voted.

61%

of the value of our clients' equity assets engaged

37%

of shareholder meetings at which we voted included votes against one or more management recommendations

*BlackRock counts only direct interaction as an engagement. We also write letters to raise companies' awareness of thematic issues on which we are focused or changes in policy, but this outreach is considered distinct from engagement as it is difficult to monitor the effectiveness of letter writing without direct interaction.

Maximizing long-term value for shareholders

When we vote against a company, we do so with a singular purpose: maximizing long-term value for shareholders. There are two main categories of our voting actions: we might vote against directors — or other management proposals — or vote to support a shareholder proposal. As we discuss below, we employ votes against directors more frequently since that is a globally available signal of concern. ESG shareholder proposals, while often non-binding and less common outside of the U.S., can garner significant attention and send a strong public signal of disapproval. BIS may support shareholder proposals that address issues material to a company's business model, which need to be remedied urgently and that, once remedied, would help build long-term value. In our assessment, 15% of the 1,087 ESG shareholder proposals on which we voted this year met these criteria and resulted in our support for such proposals.

The importance of leadership in unprecedented times

The fundamental reshaping of finance that Larry Fink wrote about in his letter to CEOs in January has been brought front and center by the COVID-19 pandemic. Both climate change and the pandemic have enormous implications for society and the global economy. In the case of the pandemic, the worst impacts are already being borne by the most vulnerable in our communities and by the countries and economies least able to weather them. Climate change, if not managed, threatens to have a similarly disproportionate effect, exacerbating inequality and associated unrest.

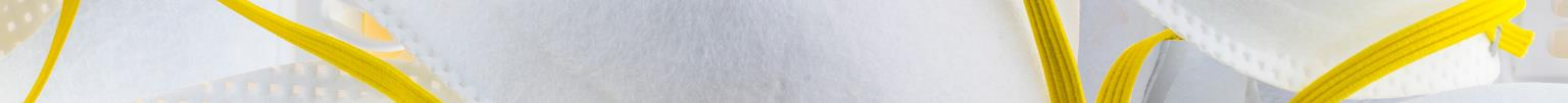
For many companies, COVID-19 has created near-term existential challenges. Companies were plunged into an unprecedented test of their operational resilience, focused on ensuring the health and safety of their workforce while managing business continuity challenges and global supply chain disruptions at a scale never imagined. Financial resilience was, and remains, a pressing issue for many companies, with revenues in some industries struggling.

In the immediate response period, we were able to be supportive as companies sought flexibility from investors to weather the initial storm. In the first half of 2020, our Investment Stewardship team had more than 400 engagements where we discussed the impact of COVID-19.

Given the unprecedented circumstances, we aimed to be constructive and support companies on proposals outside our normal governance policies, such as virtual shareholder meetings, supporting poison pills, dividend cuts, off-cycle revision of executive pay, and authorization for additional financing without shareholder approval. Companies will have to justify these difficult choices in their 2020 reporting and explain how they weighed their decisions in relation to balancing the interests of investors, employees, customers, suppliers, and communities.

400+

engagements where we discussed the impact of COVID-19



Expectations of boards and executive leadership

Our investment stewardship efforts have always started with the board and executive leadership: it is their role to look after the interests of investors and we look to them to meet the expectations we set out. If we are not satisfied with their decisions, we then hold them to account with our vote.

We set out in our market-specific voting guidelines clear expectations of directors to ensure boards have the diversity, capabilities, and independence to effectively oversee management and help drive long-term value creation. We opposed the re-election of over 5,100 directors due to concerns that these characteristics were lacking or that the actions taken by the board were not aligned with the interests of long-term shareholders.

- We expect boards to have a sufficient degree of director independence to look after the interests of all shareholders and at least one independent non-executive director to be accessible to shareholders. We voted against management more than 1,700 times for lack of director independence, with 1,000 votes against in Asia where controlling state or private shareholders can undermine the independence institutional investors are seeking.
- We have long engaged on board diversity, including directors' personal characteristics and professional experience, as beneficial to good governance and effective decision-making. This year, we voted against management more than 1,500 times for insufficient diversity. We have seen significant improvements in gender diversity in the Russell 1000 and the STOXX 600. Smaller companies and those with more concentrated ownership are lagging, but we expect more progress in the future. We are increasingly looking to companies to consider the ethnic diversity of their boards, as we are convinced tone from the top matters as companies seek to become more diverse and inclusive.
- We have high expectations for directors to avoid overcommitment and ensure that they have the capacity to fulfill their duties – expectations proven out by the intensification of demands on directors' time during the COVID-19 crisis. Our votes against directors for being overcommitted have increased to over 700 this year, up from 430 two years ago. While sitting CEOs are reducing their non-executive commitments, we need to see more progress and focus from non-executive directors.
- We are increasingly voting against management on executive pay proposals, up from 15% to 16% this year, or nearly 1,100 votes against management. We voted against compensation committee members at more companies in the U.S. and UK than in any other markets. Our votes against proposed equity incentive plans in certain markets have fallen as a result of companies making a stronger connection between rewards and performance. Looking ahead, we are sensitive to the need for compensation committees to reflect stakeholder matters in pay determinations, particularly when companies have received government support.
- Over the past year, we have also voted against management to protect the rights of minority shareholders, such as our clients. In many markets in which BlackRock's clients are invested, it is common to have a controlling shareholder or group of shareholders. These may be founders or their families, government entities or strategically aligned investors.
- The economic interests of the controlling shareholders are sometimes equivalent to the voting rights but often this is not the case. We voted in support of six out of seven shareholder proposals to introduce a one share, one vote standard. Further, we voted against over 300 proposals to approve related party transactions on the grounds that they were not aligned with the interests of minority investors such as BlackRock's clients.

Enhanced disclosure builds understanding

We asked in January that companies publish reports aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) standards. Consistent with the TCFD's recommendations, this should include a plan for operating under a scenario where global warming is limited to less than two degrees Celsius. We believe the TCFD framework's four pillars — Governance, Strategy, Risk Management, Metrics and Targets — are applicable to corporate reporting of all business relevant or material environmental and social risks and opportunities. SASB's sector-specific standards inform the metrics pillar of the framework. These reporting tools help companies demonstrate that they have integrated the management of material environmental and social factors into their strategy and operations.

We have been engaging companies about sustainable business practices for many years and believe TCFD- and SASB-aligned reporting will provide the information investors need to take better informed investment and stewardship decisions, supporting more efficient capital markets. We are encouraged by the momentum building behind these two reporting tools and the recognition amongst practitioners — investors, companies and their advisors, and policy makers — of the need for convergence to establish a globally recognized sustainability reporting standard.

Notably, there has been a nearly 140% increase in companies publishing SASB-aligned reports so far in 2020 over calendar year 2019,* of which 40% are based outside the U.S.

We are committed to being transparent with companies, our clients, and other stakeholders about our investment stewardship activities. We publish our governance principles and voting guidelines to help companies understand our expectations as a long-term shareholder on behalf of our clients. We define engagement priorities each year to alert companies and clients to our areas of focus. As we outline in the following sections, our investment stewardship engagement focuses on companies that we believe may not be acting in the long-term interests of shareholders.

In January, BlackRock wrote to clients about how we are making sustainability central to the way we invest, manage risk, construct portfolios, design products, and execute our stewardship responsibilities. This commitment is based on our conviction that climate risk is investment risk: a changing climate impacts all aspects of society and the economy globally. We believe that sustainable business practices, and sustainability-integrated portfolios, can produce better long-term, risk-adjusted returns.

As a fiduciary, we have a responsibility to our clients to make sure companies are adequately managing and disclosing environmental and social risks and opportunities that can impact their ability to generate long-term financial performance — and to hold them accountable if they are not.

As reported in Our approach to sustainability, we have focused on a universe of 244 companies with significant climate risk inherent in their business models, asking them to demonstrate that they are managing and mitigating that risk. We took voting action against 53 companies for insufficient progress on climate risk management, as assessed from their reporting and through our engagement. We put 191 companies "on watch" and expect them to demonstrate over the coming year that they have taken significant steps to address the business risks they face from climate change. We expect all the companies in this universe to report on their progress on integrating climate risk and other sustainability factors into their business management through disclosures aligned with TCFD and SASB.

* https://www.bloomberg.com/news/articles/2020-08-19/corporate-sustainability-reporting-is-growing-up-green-insight?utm_source=twitter&utm_campaign=socialflow-organic&cmpid=socialflow-twitter-business&utm_content=business&utm_medium=social

Stewardship in 2020 and beyond

Looking ahead, our engagements to date indicated how corporate leaders are seeking a longer-term strategic response to the crisis that is more responsive to the expectations of all their stakeholders. We engaged with more than 1,000 companies this year on corporate strategy, an increase of nearly half over the prior year. Companies are responding to an acceleration of strategic trends like digitalization and reshaping of global supply chains with a reallocation of capital, often toward more sustainable business practices. We find increasing recognition among companies of our conviction that those with a credible long-term strategy, founded on a clearly articulated purpose, will generate more long-term value and be rewarded by more patient, long-term capital. We believe that companies that fail to get this right will face increasing market skepticism, and as a result, a higher cost of capital.

We are observing a shift in awareness of the role companies must play in society in order to demonstrate they have earned their social license to operate. We expect scrutiny of companies on their societal impact and commitment to stakeholders to remain high in the coming year. This year, we engaged with just over 640 companies on human capital management issues and a further 125 on other social issues.

We find companies are increasingly attuned to the need to invest in their workforces, and to provide their employees with opportunities for secure and rewarding employment. This interest is extending to the fair treatment of workforces by companies in supply chains, where sourcing companies increasingly expect standards that may be higher than legal requirements in some countries. Attention to health and safety of customers has never been stronger, whether it is dealing with re-opening of retailing in the context of COVID-19 or fundamental issues of product safety.

Ultimately, BIS is committed to advocating for robust corporate governance and business practices that contribute to the ability of companies to deliver the sustainable long-term returns on which our clients depend to meet their financial goals. We hope that this report helps clients, companies, and other stakeholders understand our approach to investment stewardship. We believe that our transparency helps us meet our commitment to continually enhance our policies and practices in order to protect our clients' interests.

Our stewardship priorities

Delivering on our fiduciary duty

For 2020, BIS articulated five Engagement Priorities: board quality, environmental risks and opportunities, corporate strategy and capital allocation, human capital management, and compensation to promotes long-termism. Our 2020 Priorities are a continuation from 2019, with each priority now including accompanying key performance indicators for 2020 that align with our expectations for measurable disclosure and action toward creating long-term value for shareholders.

Board quality

Board composition, effectiveness, diversity, and accountability is a top priority. We believe that high-quality leadership and business management is essential to delivering sustainable financial performance.

1,593 engagements

1,569
votes against directors due to lack of board diversity

728
votes against overcommitted directors (non-CEOs and CEO-directors)

1,762
votes against directors for lack of independence

Environmental risks and opportunities

Sound practices in relation to the material environmental factors inherent to a company's business model can be a signal of operational excellence and management quality.

1,260 engagements

55
votes against management on director-related items for insufficient progress on climate disclosures*

6
votes against management on environmental-related shareholder proposals

*Director-related items includes management proposals to elect directors or supervisors, as well discharge and election of board chairman proposals.

Corporate strategy and capital allocation

We expect boards to be fully engaged with management on the development and implementation of the company's strategy.

1,427 engagements

303
votes against management on director-related items to approve related party transactions*

12.8%
proposals to approve capital issuance voted against management

Human capital management

We view a company's approach to human capital management as a potential competitive advantage.

750 engagements

641
distinct company engagements where we discussed human capital management issues

Compensation that promotes long-termism

We expect executive pay policies to use performance measures that are closely linked to the company's long-term strategy and goals.

1,185 engagements

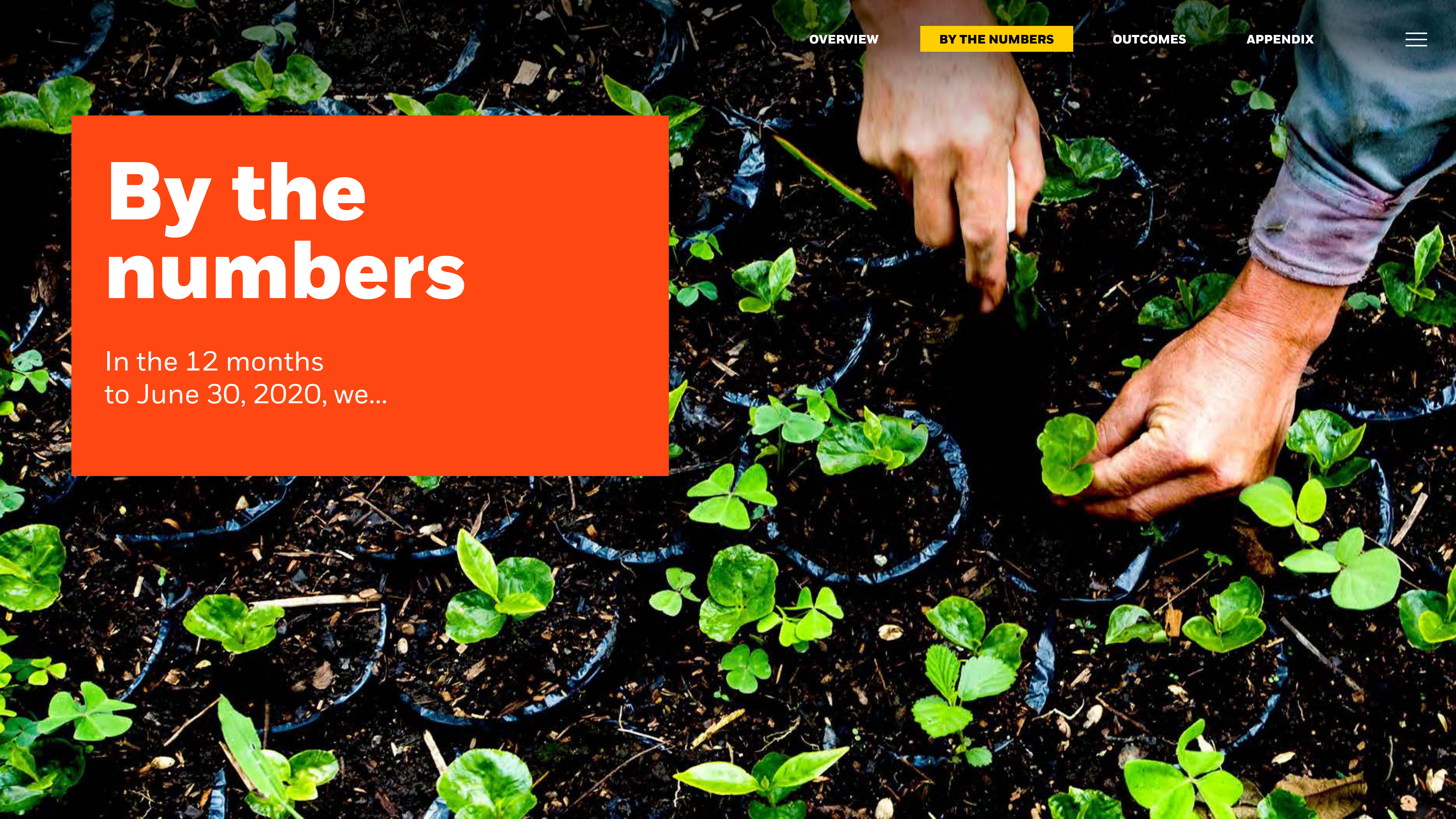
1,084
votes against Say on Pay, remuneration reports and remuneration policy proposals

666
votes against the re-election of compensation committee directors

*Stand alone proposals to approve related party transactions.

By the numbers

In the 12 months
to June 30, 2020, we...



Held companies accountable

We voted against or withheld votes from more directors this year than ever before

16,200
total meetings voted

153,000
total proposals voted

5,100+
votes against directors or withheld votes (includes abstentions)

2,800
unique companies with one or more votes against directors (includes abstentions)

Numbers have been rounded to the nearest hundred.

Management proposal votes

	Election of directors and related proposals	Capitalization	Compensation	Mergers, acquisitions and reorganizations
Total number of proposals voted	77,663	14,433	13,414	7,582
Voted against management	8.3%	12.8%	16.1%	13.7%

Shareholder proposal votes

	Environmental	Social	Governance
Total number of proposals voted	111	118	858
Percent supported (or abstained)	6.3%	6.8%	17.1%

Please refer to Appendix I for more information and definitions of proposal types.

Continued emphasis on company accountability and board quality

Held boards accountable for sound governance and business practices

5,536
unique companies with one or more votes against management

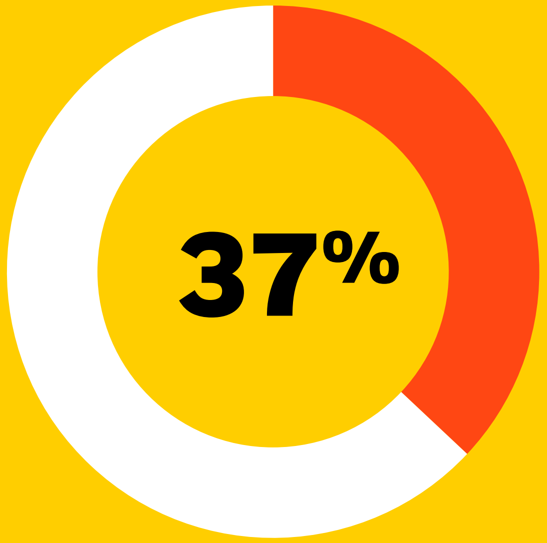
1,762
votes against management for lack of director independence

1,084
votes against management on executive compensation

69%
increase in votes against overcommitted directors over 2018 votes

1,569
votes against management for insufficient diversity

86%
supported shareholder proposals on "one share, one vote"



Percent of shareholder meetings we voted against management

Voting by select market

U.S. and Canada

4,190 shareholder meetings

34,755 total proposals

30.5% meetings voted against one or more management recommendations

EMEA (ex-UK)

2,434 shareholder meetings

32,314 total proposals

57.6% meetings voted against one or more management recommendations

Japan

2,350 shareholder meetings

23,562 total proposals

35.7% meetings voted against one or more management recommendations

United Kingdom

775 shareholder meetings

10,951 total proposals

31.5% meetings voted against one or more management recommendations

Asia-Pacific (ex-Japan)

5,945 shareholder meetings

47,182 total proposals

33.5% meetings voted against one or more management recommendations

Latin America (LATAM)

507 shareholder meetings

4,237 total proposals

57.6% meetings voted against one or more management recommendations

Expanded the reach of our engagements*

2019 | 2020

	▲ YoY	2019	2020
Total engagements	48%	2,050	3,040
Total companies engaged	39%	1,458	2,020
Companies with multiple engagements	75%	365	640
Markets engaged	29%	42	54
Clients' equity assets engaged	22%	50%	61%
Engagements with companies in Emerging and Frontier markets**	188%	159	458

*Final 2019 numbers are 12 months to June 30, 2019. Final 2020 numbers are 12 months to June 30, 2020.
**MSCI's definition of Emerging and Frontier markets.

Topics engaged

2019 | 2020

	2019	2020	
Environmental	316	1,260	▲299% YoY
Social	353	965	▲173% YoY
Governance	1,931	2,882	▲49% YoY

Business as (un)usual

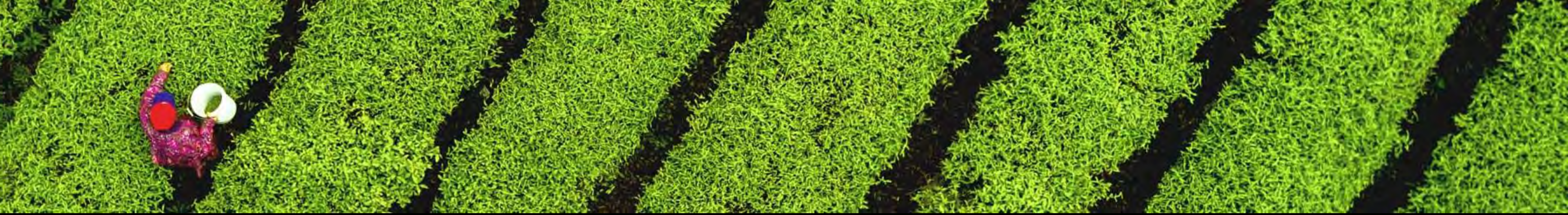
Times like these reinforce the importance of sustainable business practices and good governance*

52%
increase in corporate strategy engagements

429
engagements where we discussed COVID-19

750
engagements where we discussed human capital management, nearly **3x more than the previous year**

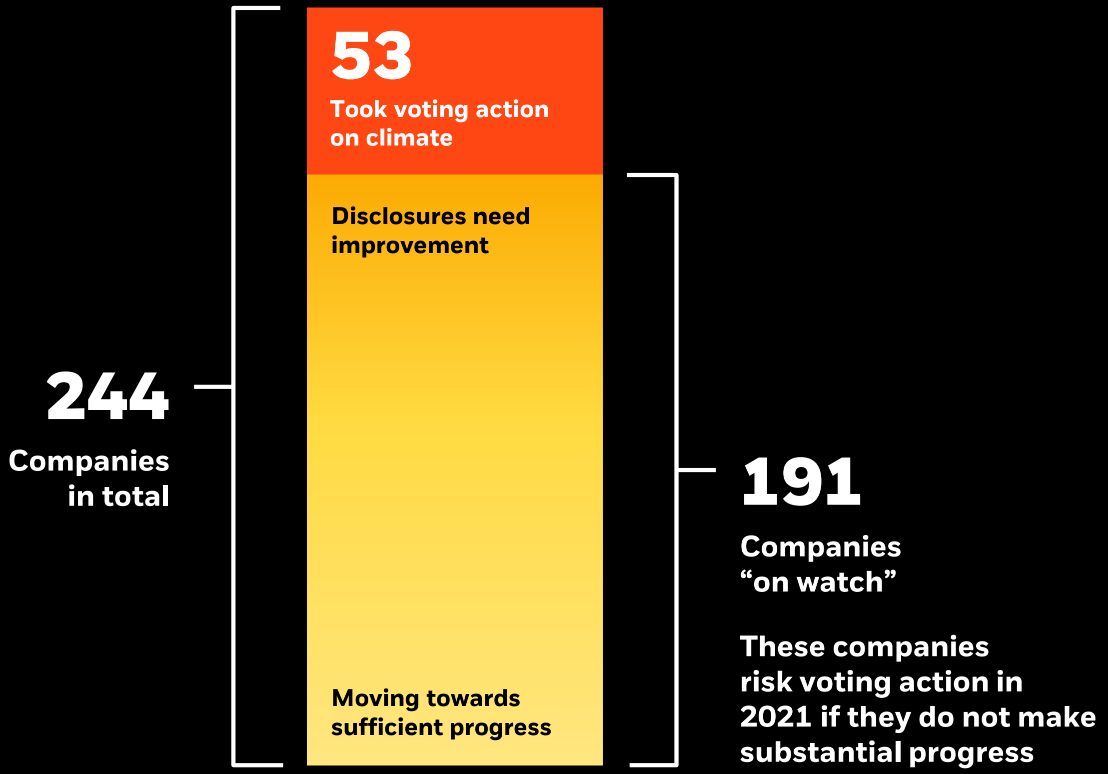
*Final 2019 numbers are 12 months to June 30, 2019. Final 2020 numbers are 12 months to June 30, 2020.



Intensified focus and engagement with companies on sustainability

We are seeing measurable results which benefit all shareholders, including **growing momentum on disclosures and enhanced governance practices.**

SUSTAINABILITY REPORT



Source: ISS Proxy Exchange and BlackRock Investment Stewardship, as of July 8, 2020.

Drove adoption of reporting and better transparency*

TCFD

$12 trillion

Over 1,000 global organizations have declared support for the TCFD, including private sector organizations with a combined market capitalization of nearly $12 trillion.

SASB

▲ 140%

Nearly 140% increase in companies publishing SASB-aligned reports so far in 2020 over calendar year 2019, of which 40% are based outside the U.S.

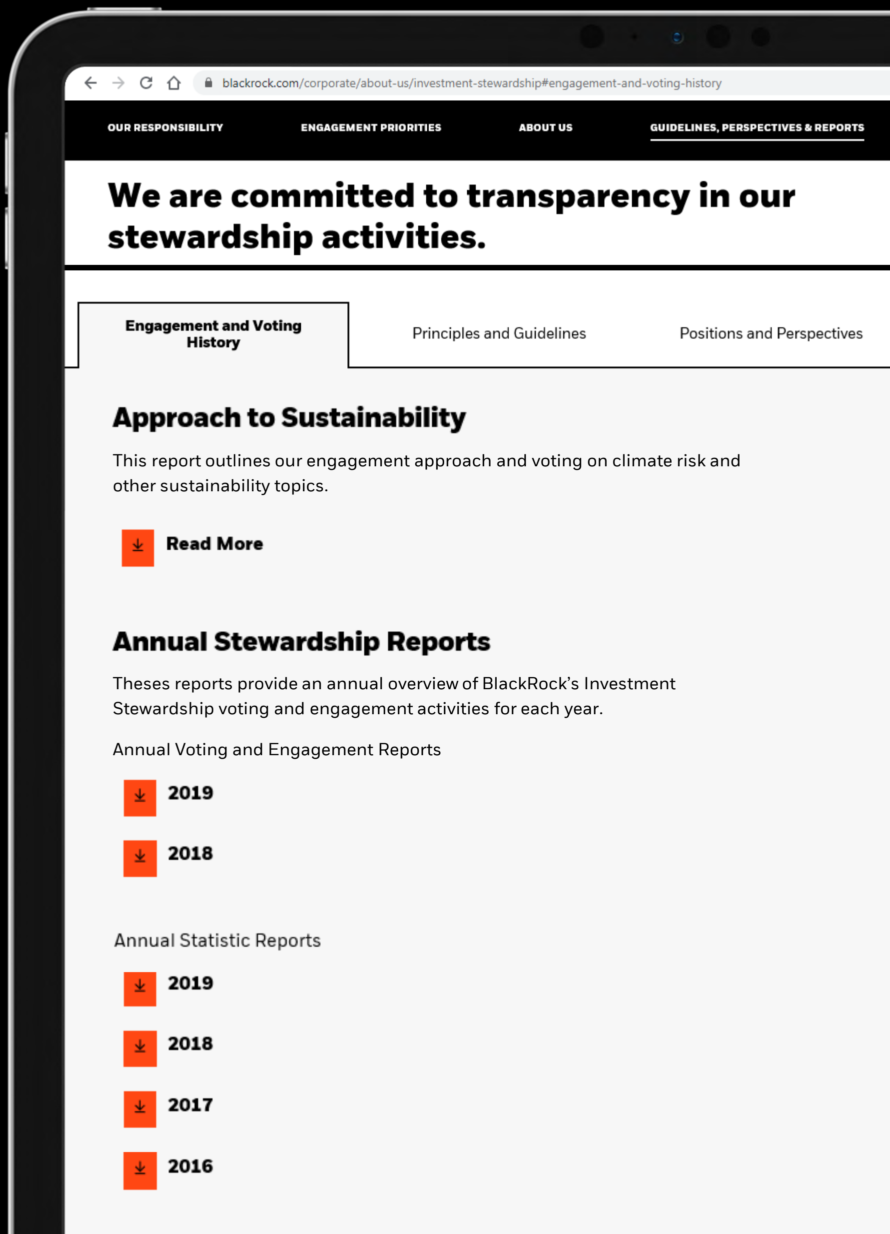
Letter to CEOs

90%

In the first half of this year, BIS wrote letters to the CEOs of companies representing 90% of the Asia ex-Japan market to share our expectations for TCFD-and SASB-aligned disclosure.

13%

Letters sent to management to communicate BIS views supported by engagement over time have led to better disclosures and enhanced governance practices. For example: As of June 2020, 13% of companies in the Russell 1000 had fewer than two women on their boards, down from approximately 20% in 2019 and 30% in 2018.§



* We asked in January 2020 that companies publish reports aligned with the recommendations of the Task-Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB). ** As of August 10, 2020. § Source: FactSet.

Enhanced transparency

45

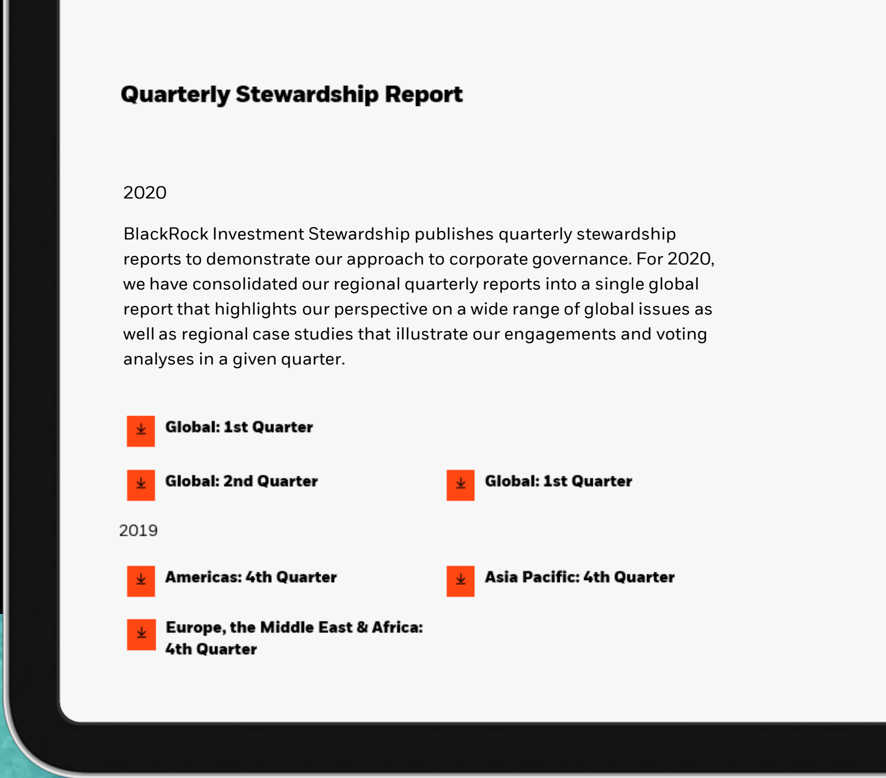
Voting bulletins published in 2020*

Quarterly reporting

Enhanced our reporting on vote disclosures, issued new global engagement activity summaries detailing companies and topics of engagement, and consolidating our regional reports into a single global stewardship report per quarter.

*As of August 2020.

ENGAGEMENT AND VOTING HISTORY



Quarterly Stewardship Report

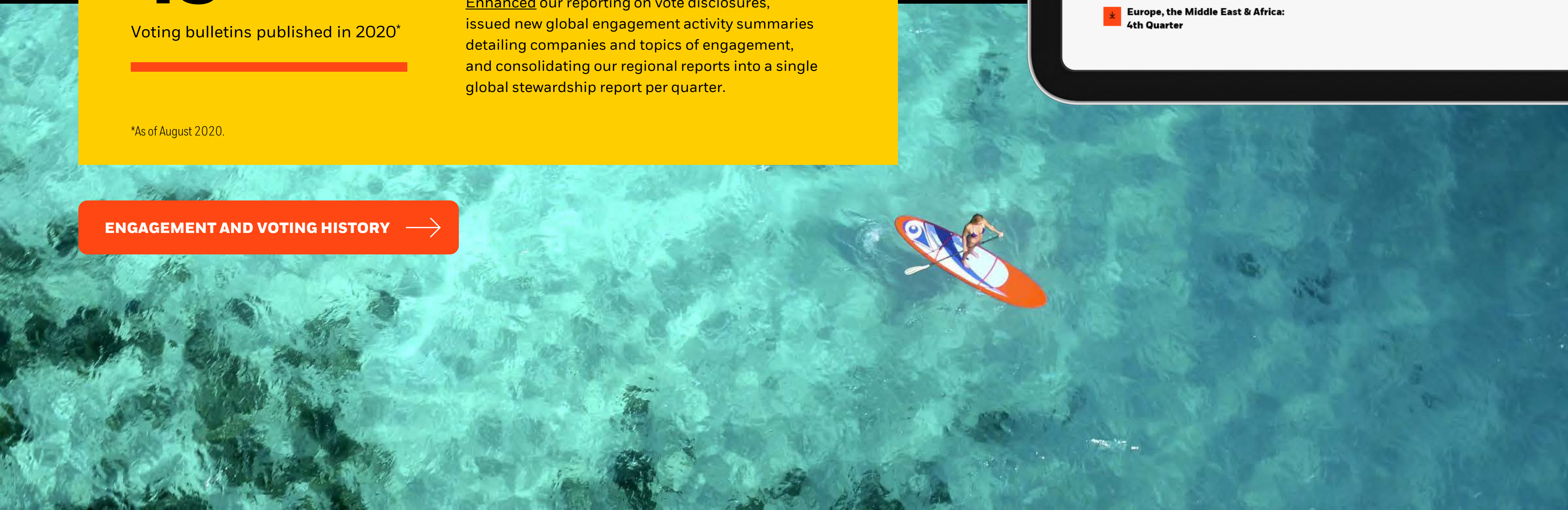
2020

BlackRock Investment Stewardship publishes quarterly stewardship reports to demonstrate our approach to corporate governance. For 2020, we have consolidated our 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.

- Global: 1st Quarter
- Global: 2nd Quarter
- Global: 1st Quarter

2019

- Americas: 4th Quarter
- Asia Pacific: 4th Quarter
- Europe, the Middle East & Africa: 4th Quarter



Global reach and local presence

The BlackRock Investment Stewardship team

Our regional teams engage locally with companies, enabling more frequent and better-informed dialogue, often in the local language. Our team members bring diverse skills and life experiences to their work, with professional expertise developed in legal, financial, advisory, corporate, and governance roles.

Situated across seven offices globally, our team has grown steadily from 16 in 2009 to 36 in 2018, and more than 45 today. The continued global growth of the BIS team reflects our commitment to building a strong and talented pool of professionals equipped with the relevant skills and experience to make informed voting decisions and provide constructive feedback to support long-term value creation.

45+ member team

85 voting markets

17 languages

25 professional certifications

31 academic disciplines

40+ organizational affiliations

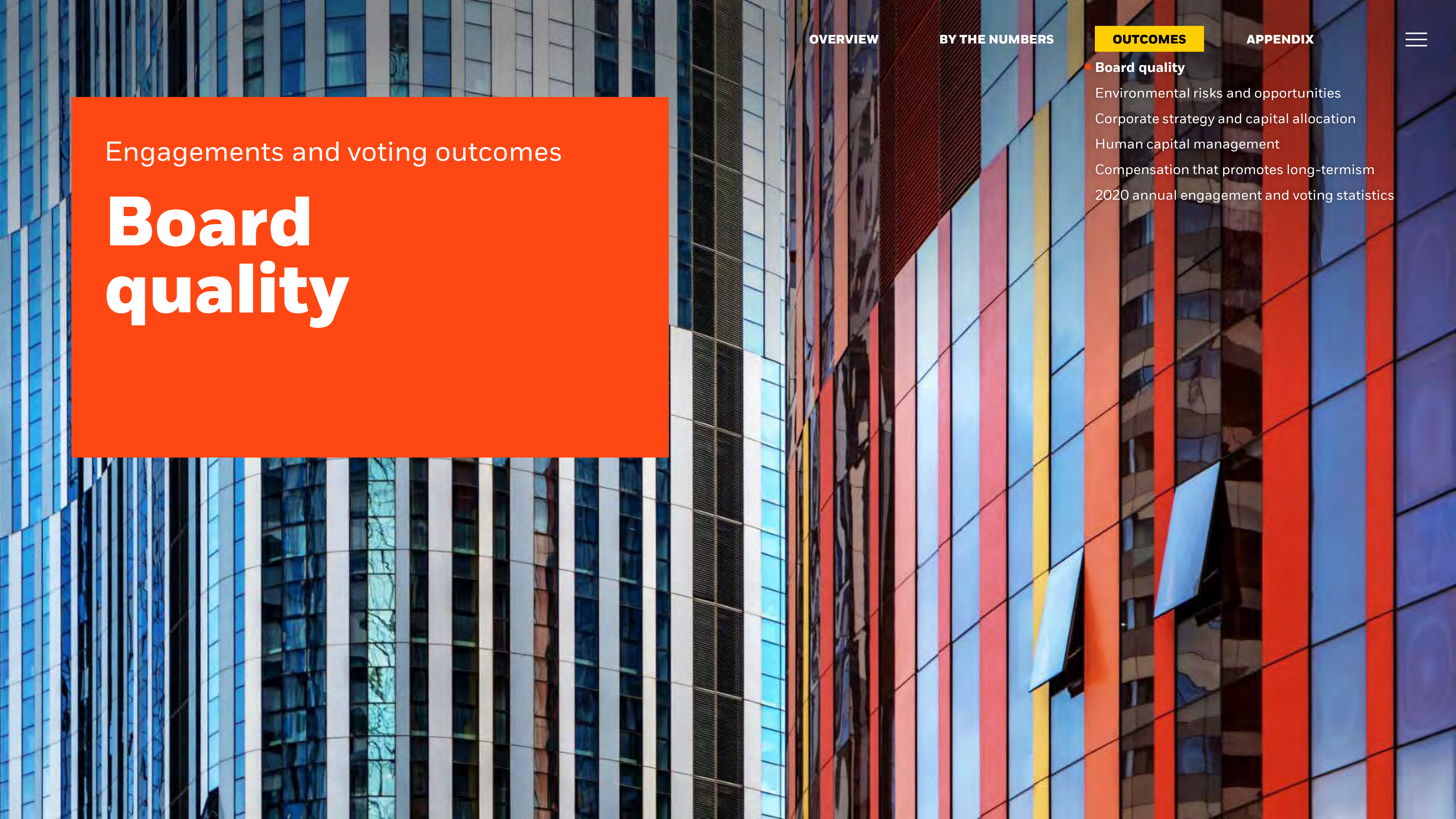
Leveraging the global expertise of our:

- Investment analysts
- Specialists
- Researchers
- Active investors

Source: BlackRock July 2020.

Engagements and voting outcomes

Board quality



High-performing boards ensure strong management, which in turn supports sustainable financial performance.

That is why board quality – composition, effectiveness, diversity, and accountability – is a top engagement priority.

BlackRock Investment Stewardship (BIS) considers board quality a top engagement priority. Board composition, effectiveness, diversity, and accountability are focus areas when we engage with companies on behalf of our clients. Companies with committed, diverse, and experienced board directors who actively advise and oversee management have a competitive advantage in delivering sustainable long-term financial returns.*

In our engagements we seek to understand how boards work with management on corporate governance issues, how board effectiveness and director performance are assessed, and how director succession is managed. In 2019-20, we had 2,882 engagements with 1,970 companies on board governance, performance, composition, and succession.

We take each engagement as an opportunity to share with companies our expectations of directors and boards. These expectations are detailed in our Global Corporate Governance and Engagement Principles and in each set of market-specific voting guidelines. At a global level, we expect there to be a sufficient number of independent directors on the board to ensure the interests of all shareholders are protected. We ask boards to include a diverse array of individuals who bring their personal characteristics and professional experiences to bear in fostering constructive dialogue on boardroom matters. We also expect directors to limit the number of boards on which they serve to ensure that they have the capacity to fulfill their responsibilities on each board, in times of stress as well as in good times.

When a board does not act in the interests of long-term shareholders, we will vote against the re-election of certain directors to hold them accountable.

This year, we voted against or withheld votes from proposals to elect a director, or slate of directors, 5,130 times at 2,809 companies globally** as a result of concerns about the company's corporate governance. We have voted against more directors this year than ever before. Director accountability to shareholders is a core feature of sound governance practice and we advocate strongly for annual election of directors.

Holding directors accountable

The performance of the board is critical to the success of the company and to the protection of shareholders' interests. For these reasons, BIS focuses on directors in many of our engagements and sees the election of directors as one of our most important responsibilities in the proxy voting context.

32%

percent increase in the proportion of directors we voted against from 2018-2020

*FCLTGlobal. (2019). Data Shows That Diverse Boards Create More Value. Available at: https://www.fcltglobal.org/resource/data-shows-that-diverse-boards-create-more-value/#0.
**"Votes against directors or withheld votes" include votes where we abstained.

The top three board quality issues were lack of director independence, insufficient board diversity, and director overcommitment.

As shown in the table below, these issues manifest differently across regions. Our regional teams apply our global and market-specific policies on these issues taking the local context into consideration. In markets like the U.S. and UK where director independence has been a focus for investors for many years, most boards have a sufficient balance of independence. In Asia, where ownership structures often result in controlling shareholders appointing most of the directors, we are more likely to vote against directors over independence concerns as many directors may meet the letter but not the spirit of our independence criteria.

In the U.S., insufficient progress on board diversity is the predominant reason for our votes against directors. In EMEA, market level initiatives and policies in many countries* have achieved significant progress on board gender diversity and thus it is less of a voting issue. In most countries in APAC, board diversity is a relatively recent governance issue that we are engaging on and we have yet to prioritize it in our voting.

In Europe, director overcommitment is a key reason for our voting against directors. This is particularly the case in those European markets without specified limits on the number of boards on which a director may serve.

Top three board quality concerns resulting in votes against directors in 2019–20

Category	Total	Americas	APAC	EMEA
Director independence	1,762	246	1,058	458
Insufficient progress on board diversity	1,569	1,367	24	178
Overcommitted directors (non-CEOs and CEO-directors)	728	202	93	433

*The Hampton-Alexander Review announced that by February 2020, the FTSE 100 met the target of 33% women on boards. To learn more, access the Hampton-Alexander 2020 Review available at: https://ftsewomenleaders.com/wp-content/uploads/2020/02/HA-Review-PN-Final-1.pdf

Board independence

A core component of our evaluation of a company's board quality is the proportion of board members who are independent of the company or any significant shareholders. We expect there to be a sufficient number of independent directors on the board to ensure the protection of the interests of all shareholders.

We expect independent directors to be free from conflicts of interest that could impair their ability to act in the interests of the company and its shareholders. Our voting guidelines include specific criteria that we use as a benchmark in each key market to assess the likelihood that a director is independent. These reflect local norms and standards so differ slightly across regions. For instance, the U.S. does not have market level restrictions on how long a director can serve on a board and still be considered independent. BIS' guidelines for the U.S. currently reflect an expectation that new directors are regularly brought on board but do not specify term limits in determining independence.

An appropriate level of board independence can also be an important factor in establishing meaningful engagement between companies and their investors. We find that shareholder dialogue with independent board members can be effective in encouraging the adoption of corporate governance best practices. Therefore, we expect at least one independent non-executive director to be accessible to shareholders. Where appropriate, we will hold the most senior non-executive director (e.g., chairman and independent director), accountable for ensuring such a role is identified.

Many publicly traded companies in Asia have a controlling shareholder or block of shareholders who act together. Control is often effective at a declared shareholding of 30% or more of issued share capital, as the largest shareholder will often have aligned but undeclared shareholders that can be counted on to support their interests. Unless required by listing rules or regulation, controlled companies rarely have truly independent directors, and the approach to independence is compliance driven. Given ownership structures, independent directors tend to be more aligned with the controlling shareholders than with the wider shareholder base. As a result, we often have concerns with the balance of independence on boards.

As BlackRock is a minority shareholder in companies on behalf of our clients, BIS is concerned when a board may not be focused on serving the interests of all shareholders. We engage with controlled companies to provide our feedback and to encourage governance mechanisms that afford additional protections for minority shareholders in certain circumstances, such as related party transactions and director elections. We also engage with policy makers and industry associations at the market level to advocate for enhanced governance standards that protect minority shareholders.

We expect there to be a sufficient number of independent directors on the board to ensure the protection of the interests of all shareholders.

Case studies

Engagement is a marathon, not a sprint in Asia

The need for independent expertise and perspective on the board was apparent when we engaged with a controlled manufacturing company. The company was facing scrutiny for an investment in an overseas research and development (R&D) center. We wanted to understand how the investment in the center and the project to develop it aligned with the company's long-term strategy, and whether it was in the best interest of shareholders.

The company's representatives repeatedly asserted that they were planning to move forward with the investment in the center project, regardless of shareholders' views and that they generally considered the governance topics we raised as low-priority issues. We explained our concerns about the poor execution of the project, inadequate strategic rationale, and ineffective board oversight.

The company sold to its founder the questionable R&D center in 2020 at a gain on investment to the listed entity. While we supported the asset disposal, we considered it important to hold certain directors accountable for this strategic misstep. However, since the company's last board election in 2016, no directors have stood for election as the board extended the directors' terms in 2019. We plan to monitor this company closely considering their track record and intend to hold directors accountable in the future.

Voting to promote independence at a UK hotel and pub company

Consistent with the recommendations of the corporate governance code for companies listed on the main market in the UK, we consider directors to no longer be independent once they have served for nine years. We voted against the members of the board's nomination committee at a UK hotel and pub company as the continued presence of two non-executive directors — who had each served on the board for more than nine years — was impairing board independence. Only one of seven directors could be viewed as independent at the time of the company's annual general meeting. We engaged with the company to understand its position but came away unsatisfied with its response. The company said it would appoint new independent directors but would not be majority independent until November 2022. That lack of urgency in addressing a core governance concern indicated a lack of responsiveness to shareholder feedback.

Board diversity

As explained in our engagement commentary on board diversity, directors who bring a range of different perspectives and experiences to the board's work contribute to better decision-making and outcomes.*

We recognize that diversity has multiple dimensions** and that diversity considerations are different around the world. We look to boards to explain their approach to ensure they have sufficient diversity amongst their directors. We will vote against the re-election of members of the committee responsible for nominating directors when a board lacks diversity and credible diversity policies.

This year, we voted against 1,569 directors globally on diversity-related concerns. To date, our focus in our voting has been on gender diversity as this is widely disclosed by companies. However, in our engagement for the past several years we have been advocating for diversity in its fuller definition and encouraged companies to voluntarily disclose more information about the diversity characteristics represented amongst board members and how the board's composition contributes to its effectiveness. We are increasingly looking to companies to consider the ethnic diversity of their boards as we are convinced tone from the top matters as companies seek to become more diverse and inclusive.

*Russell Reynolds Associates. Different Is Better: Why Diversity Matters in the Boardroom. **Directors' industry experience, areas of specialist expertise, and market knowledge, as well as personal characteristics such as gender, race, ethnicity, and age, contribute to their ability to make a distinctive contribution to board discussions and decision-making.

Case studies

In North America and Europe, focus shifts to smaller companies

Following several years of engagement on board diversity in the U.S. and Canada, we have seen gradual improvement at larger companies. A 2019 study on U.S. board diversity trends revealed that more than 90% of S&P 500 boards now have two or more women directors, up from 86% in the previous year and 53% a decade ago.* But progress outside that segment of the market is still insufficient.

We specified in our voting guidelines in 2018 that we expect at least two women directors on a board, in addition to directors with other diversity characteristics, such as race or ethnicity. Given this expectation, and our engagement to ensure companies were aware of it, we are increasingly inclined to vote against directors where diversity is lacking on a board. As we have seen at larger companies, we expect board diversity and disclosure at smaller companies to improve over the next few years as a result of engagement and votes against directors.

We voted against directors on diversity-related concerns less frequently in Europe, reflecting improved board diversity at larger companies. Government mandated diversity targets and quotas across several European countries have started to drive an improvement in the number of women serving on boards in the region. A 2020 study of STOXX 600 enterprises, which includes leading companies from 17 European countries, revealed that the number of women on boards has increased from an average of 13.9% to 25% over a five-year period.**

Similar to North America, our experience in Europe suggests that board diversity is still a low priority for smaller companies and companies without dispersed ownership. The latter are either controlled by majority shareholders or there is significant voting power in the hands of non-institutional investors (such as families, foundations or strategic individuals). As we noted in our *ViewPoint* on Europe's listed companies, these structures can have profound implications for minority shareholders, such as BlackRock, since companies with controlling shareholders may have reduced incentives to engage with those with a smaller share of votes, and as a result may be less responsive to calls for greater diversity on their boards.

Americas region	2018-19	2019-20
# of votes against on diversity	**1,157**	**1,367**
# of companies	**634**	**749**
EMEA region		
# of votes against on diversity	**196**	**178**
# of companies	**97**	**88**

*Spencer Stuart. 2019. U.S. Spencer Stuart Board Index. Available at: https://www.spencerstuart.com/-/media/2019/ssbi-2019/us_board_index_2019.pdf
**CFA Institute. 2016. The Current Status of Women on Boards in 2016: A Global Roundup. Available at: https://blogs.cfainstitute.org/marketintegrity/2016/10/07/the-current-status-of-women-on-boards-in-2016-a-global-roundup/

Uneven board diversity and composition across Asian markets

In APAC, gender diversity on boards is an issue we raise mostly with companies in markets with more mature corporate governance practices such as Australia, Japan, Singapore, and Hong Kong. In other markets, we focus more on diversity and relevance of business experience and expertise. It is still predominantly an engagement, rather than voting, matter given the fact that diversity and board composition are relatively recent governance issues in most markets in the region.

In other APAC countries, we are often seeking greater diversity of professional experience on boards. For example, we engaged with two Taiwanese companies — a semiconductor manufacturer and a steel producer — to encourage them to appoint directors with business-relevant expertise as the incumbent independent directors on both boards were academics. Recruiting academics as independent directors is common in Taiwan and APAC in general, because professors are widely respected. While we welcome the perspective they bring, in our view, business professionals have practical experience and knowledge that can contribute to more effective board advice and oversight of management. Both companies were open to our feedback and said they would consider changing their independent director hiring and search practices in the future. We will follow up with both companies by the end of 2020 to assess their progress.

Overcommitment

The time directors have to commit to their board duties is a major component of our engagements on board effectiveness. Expectations of directors continue to increase. A director needs to have sufficient capacity to dedicate the necessary time and effort to meet their responsibilities to each board on which they serve. This has proven particularly important in times of crisis, such as the COVID-19 pandemic, where company directors are frequently pulled into extraordinary meetings to address existential issues.

Our votes against directors for being overcommitted have increased to 728 this year, up from 430 two years ago. Our proxy voting guidelines provide market-specific limits to the number of boards on which non-CEO directors (who do not hold any chair positions) should serve. We expect sitting CEOs to serve on no more than two boards in total — one board in addition to that of the company they lead.

Our engagements with board directors — and particularly those with whom we have discussed the important role the board plays in supporting a company's response to the COVID-19 pandemic — suggest that directors are becoming more cognizant of the significant time commitment they need to make to each board on which they serve. Many are reducing the number of boards on which they serve to a level which meets our expectations.

This is particularly true for directors who are also CEOs. In 2017 we put directors, who were also sitting CEOs, on notice, and encouraged them to reduce their commitments if they served on more than two boards. If they did not, we explained that we would vote against their re-election at the companies where they were not CEOs in subsequent years.

Reporting period	Total global votes against individual CEO-directors on the basis of overcommitment
2017-18	70
2018-19	148
2019-20	116*

We recognize that it may take time for companies and individual directors to make the necessary adjustments, so we will monitor their progress towards orderly transitions. Where this is the case, we would expect our votes against directors due to overcommitment to come down in the future.

*These 116 votes against individual CEOs on the basis of overcommitment took place at 105 unique companies.

Advancing governance practices in Latin America

Most companies in the Latin American (LATAM) market are still in the early stages of adopting best-in-class governance practices, as compared to their U.S. and Canadian peers. Therefore, engagement at the market and corporate level is key to raise awareness of investors' expectations.

BIS engaged with 102 public companies across six LATAM markets this year. We also met with regulators from Brazil, Chile, and Colombia, a number of clients, and fellow investors in the market - including the four largest pension funds in Chile and Colombia, two of the largest pension funds in Mexico, and the largest pension fund in Brazil — to discuss areas where governance practices could be strengthened.

Most of our LATAM engagements focus on board quality, and we are seeing progress in company disclosures and efforts to move towards best-in-class governance practices. A number of companies with which we have engaged made improvements to their board oversight mechanisms, executive compensation disclosures, and sustainability reporting this year.

Annual election of directors ensures accountability to shareholders

Directors on staggered or classified boards stand for re-election on a rotating basis, with each class of usually three to five directors standing for re-election every three years, on average. This undermines investors' ability to hold boards accountable by voting against the relevant directors when policies or outcomes do not align with the investor's expectations. BIS believes that directors should be re-elected annually on an individual basis so that shareholders can confirm their support for each director's continued service on the board.

In the U.S., many small capitalization companies have staggered boards. This can be problematic because U.S. small capitalization companies often have less robust governance practices than their larger peers. In these cases, we may vote against those directors who happen to stand for re-election in a given year, rather than those who should ideally be held accountable.

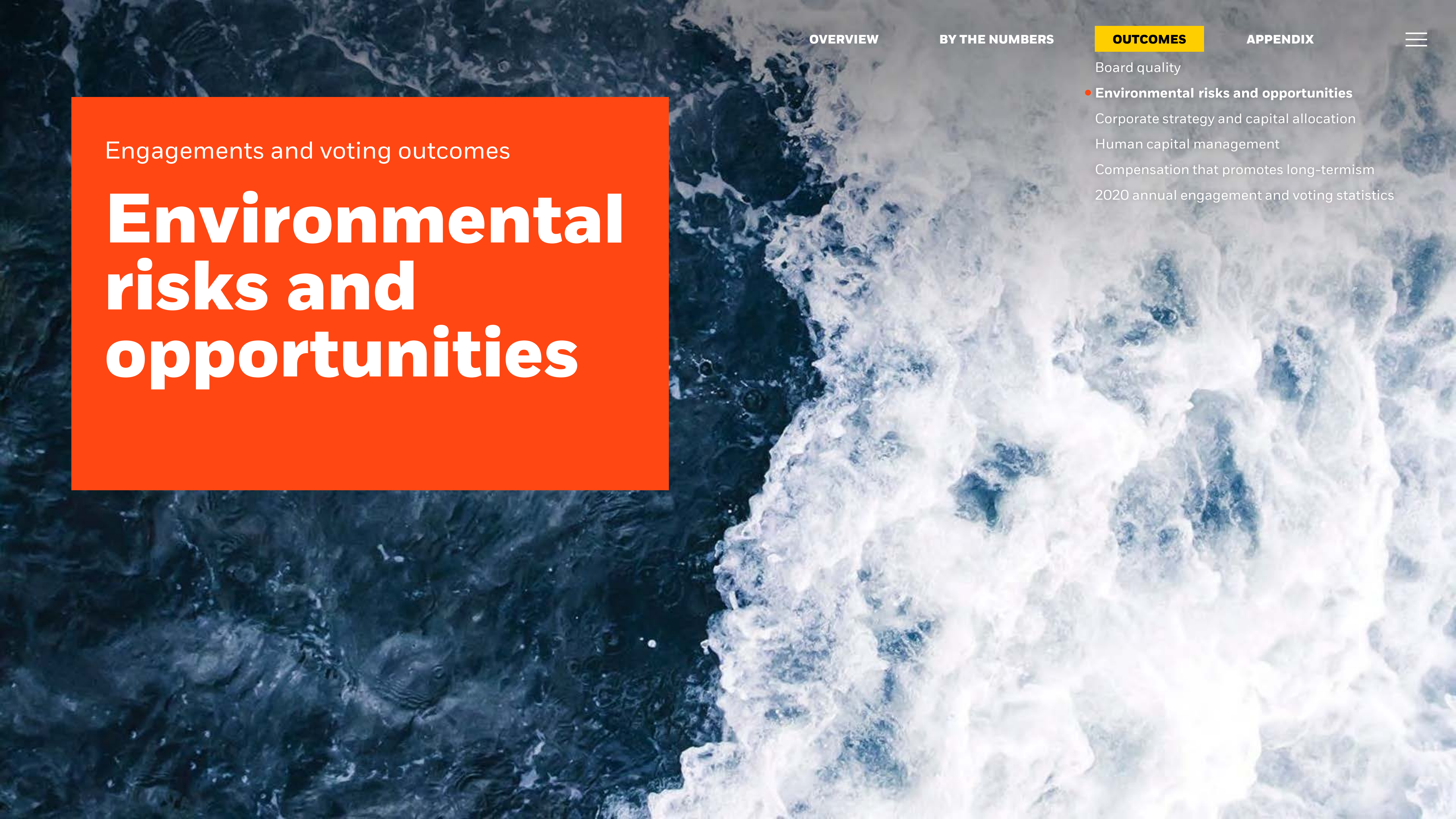
Staggered director elections are also a feature in some European and nearly all APAC markets. This can make it difficult to take the most appropriate voting action when we believe certain directors should be held accountable for a board's poor governance practices.

Faced with a situation where the most relevant directors are not standing for re-election means we often signal our concern with a vote against one or more other directors on the basis that the board is jointly responsible for key decisions and outcomes. There are a few markets in which shareholders may vote on the discharge of the board (see sidebar). This provides an alternative way for us to express our concerns when the most relevant directors are not standing for election.

For example, this year, we voted against the discharge of the supervisory board at Lufthansa that had a staggered board. The company's environmental disclosures were inadequate given the material business risk. We intended to not support the re-election of the most senior supervisory board member as the director most accountable for the issues. However, that board member was not standing for re-election because of the staggered board structure. Our only option to hold the company to account was to vote against the discharge of the entire supervisory board.

Board discharge in EMEA

The vote to discharge the board is a unique governance feature in some European markets, most notably Denmark, Germany, the Netherlands, Sweden, and Switzerland. Depending on each market's legal framework, the discharge can either be a vote to release the directors from liability to the company, or a vote of confidence on the management and/or the board's actions over the fiscal year. This year we voted against the discharge of 49 directors at 28 companies in EMEA where we deemed that management had not addressed issues that were likely to impair the company's ability to deliver long-term sustainable financial returns.



Engagements and voting outcomes

Environmental risks and opportunities

Management of environment-related risks and opportunities is increasingly a defining factor in many companies' ability to generate sustainable value. For this reason, we ask companies to disclose how environmental risks are assessed and mitigated, and opportunities realized.

We advocate for reporting aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework and the Sustainability Accounting Standards Board (SASB) standards to help us make more informed engagement and voting decisions in support of companies delivering sustainable long-term shareholder value.

As explained in Our approach to sustainability, the environmental risks and opportunities companies face, particularly those associated with climate change, remain a key focus for BlackRock Investment Stewardship (BIS). We believe that sound practices in relation to the material environmental factors inherent to a company's business model can be a signal of operational excellence and management quality. Where companies have failed to consider and manage material environmental risks, they also have failed to recognize other key business risks. Moreover, companies that do not adequately manage these risks may impair their social license to operate, undermining their ability to generate superior risk-adjusted returns for shareholders over the long-term.

In 2020, we identified 244 companies that were making insufficient progress integrating climate risk into their business models or disclosures. Of these companies, we took voting action against 53, or 22%. We have put the remaining 191 companies "on watch." Those that do not make significant progress risk voting action against management in 2021.

This year, we had more than 1,200 engagements with companies on environmental topics (including climate risk), nearly four times the number in the prior year. These engagements spanned topics including board oversight of climate risk management, adaptation strategies for the transition to a low-carbon economy, climate-related disclosure frameworks, environmental impact management, and operational sustainability (e.g., waste, water, energy use and efficiency, packaging, product life-cycle management, supply chain-related environmental impacts, and deforestation risks).

Climate risks and opportunities

A key component of our focus on environmental risks and opportunities is the impact of climate change on companies' business models and strategies over time. As discussed in a letter to clients in January, BlackRock believes that climate risk is an investment risk.

Our approach on climate is to focus our efforts on sectors and companies where climate change poses the greatest material risk to our clients' investments. Climate risk may include a company's ability to compete in a world that has transitioned to a low-carbon economy (transition risk), for example, or the way climate change could impact its physical assets or the areas where it operates (physical climate risk).

Increasing evidence shows that climate change is a material risk for most economic sectors, impacting all companies to some degree.* These risks are creating challenges that can fundamentally shape the outlook of companies, their operations, and the potential for long-term, sustainable value creation. As we detail in our commentary, Emissions, Engagement, and Transition to a Low-Carbon Economy, companies that are not measuring, managing, and considering necessary investment to reduce their greenhouse gas (GHG) emissions and environmental footprint are not, in our view, critically evaluating their long-term business risks and opportunities.

BlackRock believes that climate risk is an investment risk.

*McKinsey and Company. Climate risk and response: Physical hazards and socioeconomic impacts. Available at: https://www.mckinsey.com/business-functions/sustainability/our-insights/climate-risk-and-response-physical-hazards-and-socioeconomic-impacts and The United Nations Intergovernmental Panel on Climate Change Global Warming of 1.5 degrees C. Available at: https://www.ipcc.ch/sr15/.

Climate disclosures aligned with globally recognized frameworks and standards

BIS believes that companies must demonstrate in their reporting that they have assessed how climate change may impact operations over time and have an appropriate business strategy in light of that assessment.* As we describe in our commentary on our approach to engagement on climate risk, we expect robust disclosures of climate-related risks and opportunities, so investors can assess how well positioned companies are to manage those risks and transition to a low-carbon economy. Robust disclosures include a clear narrative about a company's approach to risk assessment and mitigation, supported by data and financially material and business-relevant metrics. In the absence of robust disclosures, investors are likely to conclude that companies are not adequately managing risk nor planning for possible future scenarios in line with a global transition to a low-carbon economy.

For the past few years, we have focused on engaging with companies, particularly those in carbon intensive industries, regarding the need to enhance disclosures on climate risk and the business practices underlying them. In January, we publicly requested that companies report in line with the recommendations of the TCFD and SASB.

Our expectations are explained in detail in our commentary, BlackRock Investment Stewardship's approach to engagement on the TCFD and the SASB aligned reporting. Both TCFD and SASB consider the physical, liability, and transition risks associated with climate change and provide guidance to companies for disclosing material, decision-useful information that is comparable within each industry. We note increased attention from policy makers in many markets and growing support for sustainability reporting aligned with a globally recognized framework and set of standards.

The increase in SASB-aligned reporting is a positive indication that companies are seeking to effectively communicate material sustainability performance to investors. Notably, there has been a nearly 140% increase in companies publishing SASB-aligned reports so far in 2020 over calendar year 2019, of which 40% are based outside the U.S. Major investors are also incorporating the SASB standards in their engagement activity and investment decisions. SASB reported that 150 investors are using its metrics globally.** Moreover, over 1,000 global organizations have declared support for the TCFD, including private sector organizations with a combined market capitalization of nearly $12 trillion.§**

Climate Action 100+

This past January, BlackRock joined Climate Action 100+ (CA 100+), a natural progression in our work to advance sustainable business practices aligned with TCFD. CA 100+ is a group of investors that engages with companies to improve climate disclosure and align business strategy with the goals of the Paris Agreement.

*SASB. Climate Risk-Technical Bulletin. Available at: https://www.sasb.org/knowledge-hub/climate-risk-technical-bulletin/.
**Chasan, E. 2020. Bloomberg. Corporate Sustainability Reporting is Growing Up. Available at: https://www.bloomberg.com/news/articles/2020-08-19/corporate-sustainability-reporting-is-growing-up-green-insight.
§ See TCFD press release from February 12, 2020. Available at: https://www.fsb-tcfd.org/wp-content/uploads/2020/02/PR-TCFD-1000-Supporters_FINAL.pdf.

TCFD disclosure recommendations

The TCFD provides an overarching four-part framework applicable regardless of sector, to help investors understand a firm's governance and business practices related to the specific topic of climate risk.

Governance	Strategy	Risk management	Metrics and targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Describe the board's oversight of climate-related risks and opportunities. Describe management's role in assessing and managing climate-related risks and opportunities.	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Describe the organization's processes for identifying and assessing climate-related risks. Describe the organization's process for managing climate-related risks. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. Describe the targets used by the organization to manage climate-related risks and opportunities to perform against targets.

We engaged with 600 companies on TCFD and more than 540 on SASB

BIS engaged with hundreds of companies this year on how to enhance their existing climate disclosures. Following our engagements, a number of companies informed us that they had conducted materiality assessments and decided to provide more information on their sustainability efforts, the governance associated with these efforts, and their impact on society.

Source: TCFD, Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures. Available at: https://www.fsb-tcfd.org/wp-content/uploads/2017/12/FINAL-TCFD-Annex-Amended-121517.pdf.

Case study

Engagement results in enhanced disclosure

BIS engaged several times this year with Verizon Wireless, a major U.S. telecommunications company, where we discussed key governance and sustainability issues for the company, including energy management and product end-of-life management. The company has pledged to reduce its carbon intensity by 50% by 2025 from 2016 levels and has committed to carbon neutrality by 2035. We generally regard the company as a governance leader in the telecommunications sector with strong disclosures and a high level of responsiveness to shareholder feedback. To further improve its disclosures, we encouraged the company to align its reporting with the recommendations of the TCFD and SASB. In April 2020, the company published its first TCFD report which demonstrates a best-in-class integrated approach across strategy and risk management with board oversight, a third-party assured scenario analysis, as well as metrics and targets. In May 2020, the company published its first index to SASB in its 2019 ESG report, providing investors with greater transparency into their performance against material sustainability risks to their business model.

In advance of this year's annual meeting at Sanderson Farms, the third largest poultry producer in the U.S we engaged twice with members of the company's board and management to discuss a range of material issues driving long-term shareholder value, including sustainability topics such as energy conservation efforts, waste management, GHG emissions, water stewardship, and human rights. Based on our analysis and engagement with the company, we voted against two sustainability-related shareholder proposals given the company's current level of sustainability disclosures and its willingness to improve its reporting by aligning it with the SASB framework. We discussed our rationale in a vote bulletin. Following its annual meeting, the company issued a press release detailing its commitment to integrate SASB reporting standards into its ESG disclosures by the end of fiscal 2020. The company noted that the decision was made following engagements with its largest shareholders, which includes BlackRock.

BIS engaged with U.S. mining company, Newmont Corporation, as part of a materiality assessment conducted by the company to help inform its approach to its annual sustainability report. The company was very receptive to our feedback and insights regarding disclosure, and ultimately incorporated it into their 2019 report, published in June. Along with downloadable ESG data tables, the report is aligned with the SASB Mining & Metals sector standards while also incorporating SASB mapping. The company has also committed to publishing a detailed TCFD-aligned report in 2021 on its 2020 activities. We view this as a best-in-class example for a U.S. mining company.

For more on our climate-related efforts, please see our 2020 report "Our approach to sustainability"

SUSTAINABILITY REPORT

Climate risk and the 2020 proxy season

We took voting action against 53 companies for their failure to make sufficient progress regarding climate risk disclosure or management.*

Holding directors accountable on climate

We voted against director-related items **55 times at 49 companies** for insufficient progress on climate disclosures.**

*Voting action includes votes against director-related items (such as director elections and board discharge proposals) as well as supporting certain climate-related shareholder proposals. **Director-related items includes management proposals to elect directors or supervisors, as well as discharge and election of board chairman proposals.

Climate shareholder proposals

We voted against management on six non-binding climate-related shareholder proposals globally out of a total of 56.§

Company	Shareholder proposal	BIS vote rationale	
Chevron Corporation	Report on Climate Lobbying Aligned with Paris Agreement Goals	We voted FOR the proposal as enhanced disclosure will help investors better understand the company's political activities in the context of policy that supports the transition to a lower carbon economy.	Voting Bulletin
ExxonMobil Corporation	Require Independent Board Chair	Since there was not a relevant shareholder proposal on climate risk disclosure, the best path to express our disapproval was voting action against directors and vote FOR the Independent Chair proposal. We believe that the board would benefit from a more robust independent leadership structure.	Voting Bulletin
iA Financial Corporation Inc.	Analyze Climate Risk and Report the Results of its Analysis	We voted FOR this proposal to signal our view that additional disclosure is needed.	
Ovintiv, Inc.	Report on Climate Change	We voted FOR this proposal given the materiality of climate risk to the company's business model and uncertainty regarding the company's near-term timeframe for setting GHG emissions reduction targets.	Voting Bulletin
TransDigm Group, Inc.	Adopt Quantitative Company-wide GHG Goals	We voted FOR this proposal as we believe it is in the best interests of shareholders to have access to greater disclosure on this issue.	Voting Bulletin
Fortum Oyj	Include Paris Agreement 1.5-degree Celsius Target in Articles of Association	We ABSTAINED as while we agreed with the proposal on substance, it was too prescriptive and not the most suitable tool to address climate related matters.	Voting Bulletin

§ Based on the ISS categorization which includes proposals that explicitly reference climate change, emissions, climate lobbying, stranded assets/extractive activities, and coal operations.

Case study

BIS' differentiated approach to shareholder proposals with engagement

BIS has had continuous engagement with J.B. Hunt (JBHT), a transportation and logistics company, to discuss the board and management team's oversight of risks related to climate change and political spending and to advocate for more robust reporting. As a logistics and transportation provider, the company faces heightened scrutiny and pressure to consider and disclose GHG emissions. While the company had historically lagged its peers with regard to climate risk reporting, over the past year the company has made significant progress advancing its sustainability initiatives and improving its public disclosures, including a more detailed articulation of management oversight, reporting frequency, and strategy integration. At this year's annual shareholder meeting, we did not support a shareholder proposal requesting disclosure of the company's climate change initiatives as we felt that the evolution of JBHT's policies and practices, as well as its recent actions and commitment to provide investors with more robust reporting, represented significant year-over-year progress. This voting decision as well as additional analysis of our engagements with the company is discussed in detail in our voting bulletin.

Earlier this year, the company committed to integrating SASB reporting standards and to improving its existing disclosures. Recently, the company delivered on that commitment and published a report disclosing key climate-risk related metrics aligned with the SASB framework. JBHT's receptivity to SASB's recommendations is a positive indication of the company's willingness to effectively communicate its material sustainability initiatives. We believe this outcome demonstrates the value of building long-term, constructive relationships through engagement. We will continue to work with management with the expectation that they will continue to enhance their reporting.

Key themes in 2019–20

Environmental factors can vary across sectors and regions, though the risks for companies, including reputational, regulatory, and legal risks, are becoming increasingly universal. This is in large part due to the fast movement of information, higher awareness amongst consumers of the impact of companies' activities on the environment, and rising expectations that corporate leaders will minimize the negative impacts of their business operations, which all must be adequately managed in order to maintain the company's license to operate. The most common environmental factors that may be material to a company's operational resilience and long-term financial performance include natural resource access and management, energy use or production, supply-chain related environmental risks, water, and waste management.

Theme 1

Sustainable agriculture and deforestation risks

Several prominent themes related to environmental issues emerged in our engagement this year. One was sustainable agribusiness and the environmental, ecological, and social pressures stemming from the industrial agricultural system. In particular, poor practices in the agricultural sector can lead to environmental degradation from improper land use and management, including deforestation, climate risks, water stress, and negative biodiversity impacts. As discussed in our commentary, BIS' approach to engagement with agribusiness companies on sustainable business practices, companies with agribusiness interests — either through direct operations or significant supply chain connectivity — are increasingly scrutinized for their practices as they relate to land management, biodiversity and human rights, among others. Shifts in consumer demand also factor into the long-term sustainability of these companies and the returns that they provide to their shareholders. Expectations for the sector are likely to increase as more, and more efficient, agricultural production and land and water use is needed to provide for a growing global population and improving standards of living.

BIS' assessment of companies and sustainable agricultural business practices begins with board oversight of management policies and practices, operational resilience, and disclosures that help investors understand the risks and opportunities for the business that impact long-term sustainable performance.

Agribusiness companies with a footprint in the Amazon Basin have been under intensifying scrutiny in recent years. Global focus on the Amazon has been increasing in the wake of historic deforestation-driven fires, particularly in Brazil. Attention more recently has grown given investor pressure on the Brazilian government to take specific measures to address deforestation in the Amazon. We believe companies with business interests in the region — either through direct operations or significant supply chain connectivity — could face increased regulatory, operational or reputational risk unless they can demonstrate the highest standards of operating practices and risk management.

We engaged with five Brazil-based agribusiness companies to discuss their policies and practices on issues specific to operating in the Amazon Basin, such as land use and supply chain management, and to hear their views on the long-term climate-related risks for the agricultural industry associated with accelerated deforestation. The companies affirmed that their business operations were not the cause of, or directly impacted by, the recent fires, and each noted their strict adherence to zero deforestation policies as well as their independently validated operating policies. This was cited as a requirement to supply products to certain markets, particularly in Europe.

Since those engagements in Q3 2019, we have continued to closely monitor these companies to assess their operational standards and progress, including the implementation of their sustainable land use policies. In subsequent engagements with two of the companies, we discussed each of their commitments to eliminate deforestation from their global supply chains. With one company we also discussed its ongoing efforts to eradicate deforestation throughout its supply chain after the company provided an update on these efforts and progress of its advanced monitoring capabilities of supplier farms in the Amazon. While encouraged by those improvements, we are closely monitoring progress and disclosures, particularly as the company faces public scrutiny regarding operations tied to deforestation in Brazil. The second company published a deforestation progress report in the second quarter. The report provides an update on issues such as the number of farms monitored and the company's traceability efforts for both direct and indirect sources of supply in their supply chains. The report reaffirms the company's stated commitment to deforestation-free supply chains globally, as well as its concern about the forest fires in the Amazon Basin. In response, the company has blocked over 400 farms related to illegal deforestation in Brazil.

Theme 2

Natural resources, water, and waste management

The sustainable use of natural resources and management of waste by companies signals both effective management of a systemic business risk and operational excellence. There is growing consensus that higher waste efficiency and recycling rates can mitigate risks and lead to cost savings through operational gains and reduced disposal fees, among other savings. In addition, when companies improve the efficiency of existing operations through water use, or waste output, invest in new technologies, or signal management's willingness to commit to low-carbon pathways, investors gain confidence in their ability to mitigate risk in certain transition scenarios. As such, another prominent environmental theme this year during our engagements was the management of natural resources, water, and waste.

In 2020, BIS engaged with an Asia-based mining company to discuss the company's progress on managing the environmental impacts of its operations. The company had previously been criticized by some NGOs and media reports for past practices in which it harmed local communities by discharging contaminated wastewater containing heavy metals from copper mines. In recent years, the company made significant changes to its practices to minimize the environmental impacts of its operations, including the installation of wastewater treatment equipment and ecological restoration of affected mining areas. In addition to these operational improvements, the company strengthened direct oversight from the executive chairman and CEO.

While there have been incremental improvements in disclosure in the past three years, we remain concerned about the significant gaps in the company's sustainability reporting and question whether the situation with affected local communities has been resolved. The company was responsive to our feedback to improve its reporting and hired an international external consultant to assist in preparing a 2019 sustainability report. It confirmed that the sustainability report will be reviewed by the board, in line with the new ESG guidelines which make sustainability disclosures a board-level responsibility. As a result, we believe the company is moving in the right direction. We believe an enhanced strategy, a standardized disclosure framework, and continued engagement with stakeholders will allow management to enhance their business practices and support better financial performance.

Our engagement and the UN Sustainable Development Goals (SDGs)

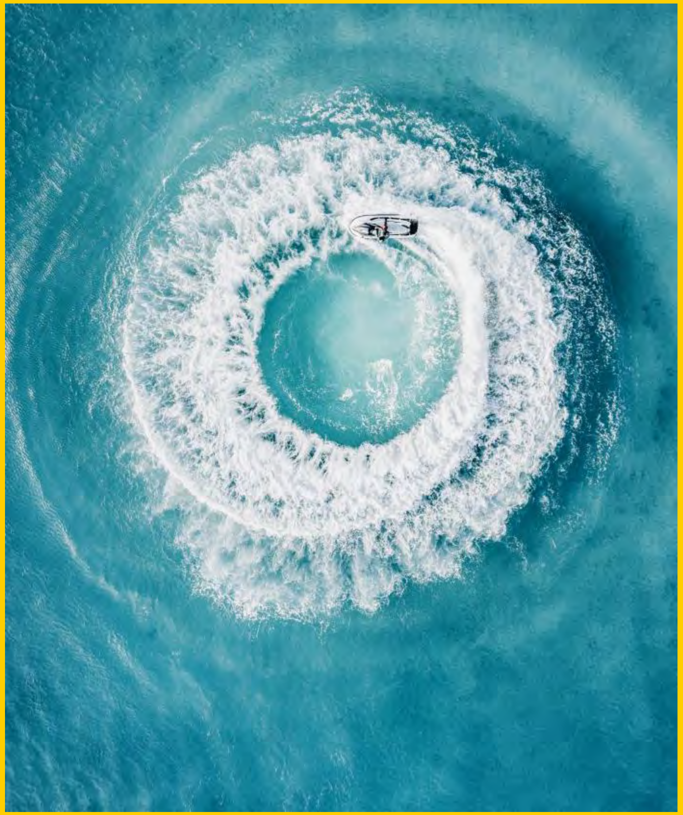
We believe there is strong alignment between many of the topics we discuss with companies and aspects of those SDGs in which the private sector has a role to play. We mapped our engagement priorities to the SDGs where relevant to a company's governance and business practices.

Theme 3

Sustainability and elements of circularity in business models

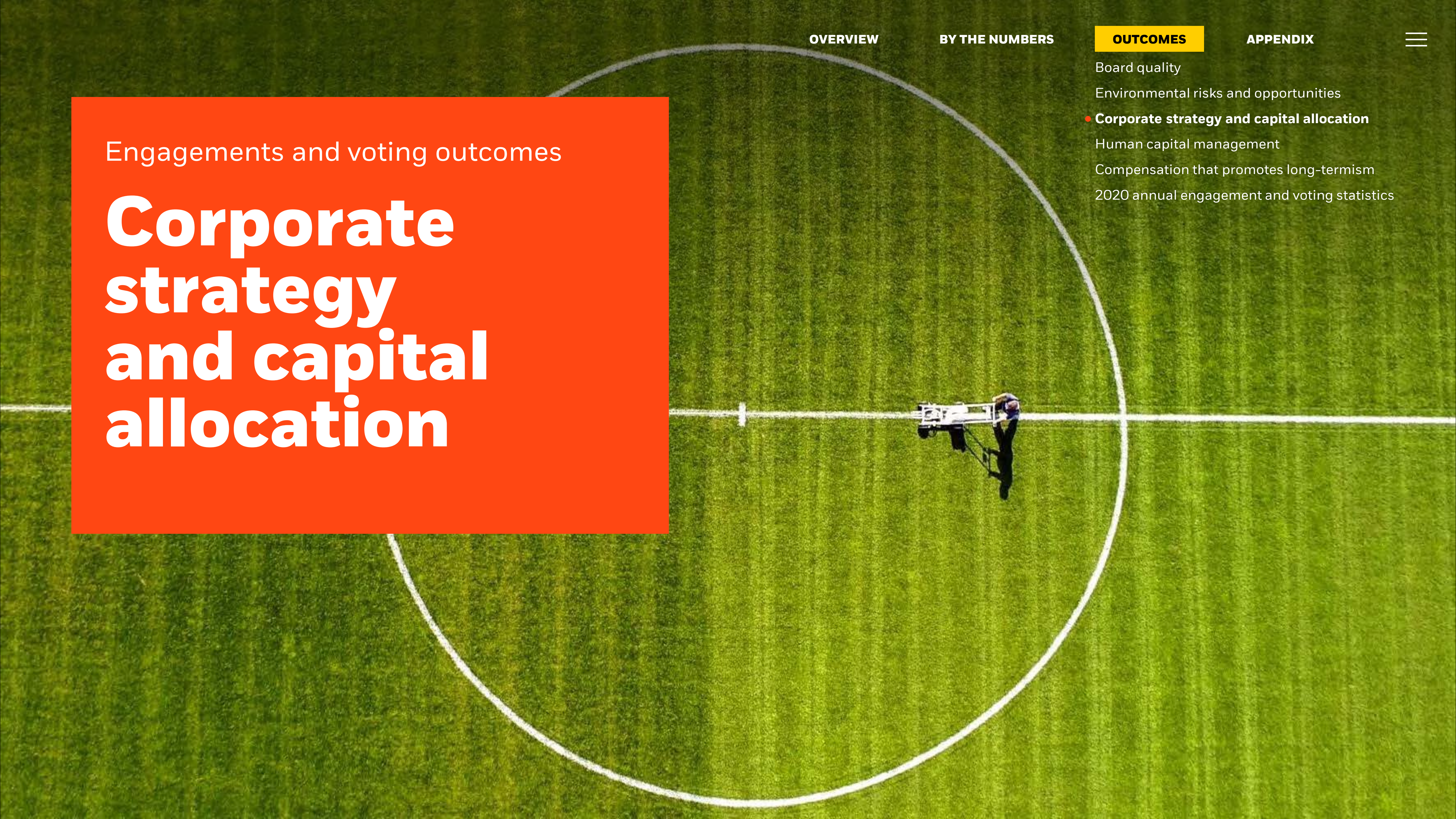
Some companies have begun to address the impact of their operations on the environment and society by integrating circularity into their business models, largely through enhanced product design and processing to reduce waste, byproducts, or to repurpose a product at the end of its useful life via recycling.* In doing so, companies can potentially improve operational efficiencies, reduce costs, better manage environmental risk and opportunities, and enhance their long-term sustainability.

BIS has had a multi-year engagements with Ball Corporation, a major aluminum beverage cans producer, best known for its historic production of glass jars, lids, and related products for home canning. The company transitioned its business away from glass and plastics to focus solely on aluminum cans — a product that is "infinitely recyclable."** In 2019, it created the first ever widely distributed aluminum cup as a replacement to the traditional, plastic disposable cup. The company expects increased near term demand given the heightened focus on waste accumulated by the proliferation of single-use plastic in the beverage industry.** The company is also a leader among its peers in sustainability reporting, disclosing material business risks and opportunities, with accompanying goals and key performance indicators to measure progress.



After sharing our positive view of the company's leading corporate governance practices and sustainable business model with BlackRock's Fundamental Active Equity (FAE) team, we held a series of joint engagements with members of the company's board and management team. The company continued to demonstrate value add from an ESG and long-term value potential. As a result, the FAE team invested in the company given their assessment of the potential for future growth.

*For more information about the circular economy concept, please see: https://www.ellenmacarthurfoundation.org/circular-economy/what-is-the-circular-economy?gclid=EAIaIQobChMIpp_Y2bDP6gIVGed3Ch0NwQOIEAAYAiAAEgLjRPD_BwE. **See Ball Corporation's 2020 Sustainability Report, available at: https://www.ball.com/Ball/media/Ball/Global/Infographics/Ball-SR20-Web_FINAL.pdf.



Engagements and voting outcomes

Corporate strategy and capital allocation

A clear articulation of corporate strategy – founded on purpose – helps investors assess a company's long-term strategic goals, the milestones that demonstrate progress, and steps taken in response to challenges. Companies should also demonstrate that capital allocation decisions support the delivery of the long-term strategy. In light of evolving circumstances, having a clear sense of the direction a company is taking informs investors about potential long-term value creation.

BlackRock Investment Stewardship (BIS) believes that aligning purpose, strategy, and culture is key to a company's ability to create value for all its stakeholders. A strong sense of purpose builds business confidence, aligns employees with management's strategy, creates loyal customers,* and informs other stakeholders. Culture is also critical, because how a company operates clearly has a strong influence on what it achieves. Indeed, the COVID-19 pandemic has amplified the importance of these three factors — purpose, strategy, and culture — to a company's long-term success.

Even before the pandemic, we observed an evolution from traditional practices that relied substantially — if not entirely — on conventional financial metrics to a purpose-driven approach to corporate strategy. Notable examples of this shift include the Business Roundtable's Statement on the Purpose of a Corporation** and studies that report the rising importance of companies' participation in finding solutions to issues such as training for the jobs of the future, automation, income inequality, diversity, and climate change, among others.§

1,427 engagements

with companies on topics related to corporate strategy, purpose, and culture held this year

▲52% increase

of engagements on topics related to corporate strategy, purpose, or culture from 2018-19

*According to McKinsey and Company, purpose can generate topline growth (or serve as an insurance policy against revenue slippage) by creating more loyal customers, fostering trust, and preserving a company's customer base at a time when 47 percent of consumers disappointed with a brand's stance on a social issue stop buying its products – and 17 percent will never return. See Purpose: Shifting from Why to How to learn more. Available at: https://www.mckinsey.com/business-functions/organization/our-insights/purpose-shifting-from-why-to-how.
**In August 2019, the Business Roundtable (BRT) published an updated Statement on the Purpose of a Corporation. 181 CEOs signed the Statement and committed to leading their companies for the benefit of all stakeholders – customers, employees, suppliers, communities and shareholders. The full statement is available at https://opportunity.businessroundtable.org/wp-content/uploads/2019/08/BRT-Statement-on-the-Purpose-of-a-Corporation-with-Signatures.pdf. § 92% of respondents to the Edelman Trust Barometer 2020 Global Report said that it is important that their employer's CEO speak out on one or more of these issues. 74% said that CEOs should take the lead on change rather than waiting for government to impose it.

Our engagements confirm this transition, as more and more companies have conveyed they see themselves playing a role in solving these issues and have accelerated their efforts as a result. Nonetheless, there are commentators who question the legitimacy of the private sector addressing issues traditionally the responsibility of government, and others who doubt corporate leaders' conviction to balance the interests of their stakeholders. That is why we believe the onus is on companies to report on how they are adapting in response to changing economic, regulatory, and societal conditions, and how the decisions they take as they adapt align to the company's purpose and strategic framework to serve their stakeholders and deliver long-term value creation.

To that end, in our engagements, we encourage companies to report publicly how material risks and opportunities are integrated into their long-term business strategy. Enhanced reporting should provide investors with a good understanding of the direction in which management intends to take the company and the milestones against which performance can be assessed. This, in turn, can provide investors a foundation to potentially support management even when events, such as the COVID-19 pandemic and evolving megatrends,* result in a company missing projected targets and having to deviate or modify implementation plans. Additionally, because boards have a critical role in strategic planning, we expect them to be fully engaged with and to assess how effective management is at aligning purpose, strategy, and culture in practice. Investors rely on boards to ensure that reporting reflects reality.

We also ask companies to explain how capital allocation decisions align with their long-term strategy. Given the current environment, we recognize that companies must face tough choices in order to balance shareholder returns with business and human capital investments. Looking ahead, these actions will likely be scrutinized intensely. That is why we intend to assess companies in the context of other decisions management teams have made around how they treat their employees, suppliers, customers, and communities, and continue to advocate for sustainable business practices that foster operational resilience.

*Megatrends are powerful, transformative forces that can change the trajectory of the global economy by shifting the priorities of societies, driving innovation and redefining business models. To learn more, consult BlackRock's report Megatrends: The forces shaping our future. Available at: https://www.blackrock.com/sg/en/literature/whitepaper/megatrend-hk-sg-whitepaper.pdf.

Case studies

Italian bank launches new business plan emphasizing company purpose, culture, and values

BIS engaged with the CEO of one of Italy's largest banks to understand his views on the culture and purpose of the bank, and how such vision filters through to strategy and cascades throughout the organization.

We learned that one of the CEO's priorities is to follow a "do the right thing" approach to generate sustainable long-term results. The CEO also shared the work the bank has been doing to review its culture and values, and the importance of instilling a "lead by example" mindset across the company, starting with senior management. We welcomed the emphasis on the company's purpose, culture, and values in its new business plan announced at the end of 2019.

BIS continued to engage with the bank to monitor its response to COVID-19, as the virus hit Italy particularly hard. The bank explained its decisive action of continuing to deliver efficient customer service while protecting the well-being of all stakeholders. In partnership with central banks, government, and regulators, the bank also supported clients and communities to implement measures that included: early deployment of personal protective equipment (PPE), extension of group healthcare coverage to include COVID-19, provision of loans, and donations to numerous health-related and non-profit organizations. We were encouraged by this demonstrated commitment to holistic business leadership. We will continue to engage with management to monitor the evolution and implementation of the business plan as the company adapts to the new circumstances, while staying aligned with its "do the right thing" approach.

Taiwanese cement company aligns long-term corporate strategy with ESG factors

BIS engaged with a Taiwanese construction materials company to provide the feedback it sought on its disclosure of ESG-related risks and its corporate sustainability strategy. BIS asked how the company plans to manage business risks as the cement industry transitions to a low-carbon economy. We learned that management considers ESG performance as key to the corporate strategy, central to the company's valuation, and a long-term differentiator for the business. The CEO has shared his views with the board that sustainability is core to the company's long-term performance. The company has made significant progress in disclosing ESG-related risks. In 2018, the company became the first among its peers to support the TCFD framework. In December 2019, the company committed to setting science-based emissions reduction targets in alignment with the Science Based Targets initiative (SBTi) and the Paris Agreement. These targets were submitted for approval by SBTi in April 2020.

The company also informed BIS that it has invested in upgrading its technology to decrease carbon emissions and enhance its risk-management systems, and how it plans to expand operations in targeted markets in EMEA to strengthen its product offerings and diversify its revenue stream beyond the Greater China region.

We welcome the company's efforts to communicate how sustainability risks and opportunities are integrated into its long-term business strategy to shareholders and other stakeholders. As a next step, we will seek to engage with members of the company's board of directors to understand how it is overseeing management's plan to transition to a low-carbon business model.

Capital allocation, activism, and shareholder rights plans in the context of COVID-19

In response to market volatility due to the COVID-19 pandemic, we observed an increase in the number of U.S. and Canadian companies that adopted shareholder rights plans (poison pills). Poison pills deter potential takeover bids or shareholder activism by allowing existing shareholders to purchase shares at a discount, substantially diluting any group that acquires ownership of a company without prior board approval. Between March and June 2020, more than 60 S&P 1500 companies adopted poison pills, compared to only 25 that had poison pills in place at the end of calendar year 2019.*

We believe that companies forced into difficult choices need to make prudent, balanced capital allocation decisions. That is why we assess poison pills on a case-by-case basis, considering factors ranging from the company's rationale, the triggering threshold, and its duration.

We expect companies to explain and justify why a poison pill was deployed and why doing so is in the economic interests of long-term shareholders.

Strategic opportunities for activist shareholders, industry consolidation, and portfolio re-alignment in the months ahead, are likely to emerge as the impacts of the market dislocation resulting from the COVID-19 crisis become apparent. Shareholder activism seemed relatively muted this year as it was more difficult for activists to make a case for strategic reviews in a time of significant uncertainty. We supported directors nominated by activist shareholders 33% of the time in the 15 campaigns, primarily in the U.S., that went to a vote. This is in line with our past voting in activist situations. As a long-term shareholder, we evaluate each situation on a case-by-case basis to make informed voting decisions that are aligned with the economic interests of our clients.

*BIS analysis, FactSet.

Engagements and voting outcomes

Human capital management

How a company balances the needs of its stakeholders in relation to issues such as inclusion and diversity, health and safety, labor relations, customer satisfaction, and community relations, can either support or jeopardize its ability to deliver sustainable long-term, risk-adjusted returns.

As long-term investors, BIS seeks to understand how companies are making prudent decisions that benefit the stakeholders on which they depend.

BlackRock Investment Stewardship (BIS) has long held the conviction that a company's approach to human capital management (HCM) is a critical factor in ensuring business continuity and success, as well-supported and engaged employees are more likely to help create sustainable long-term value.

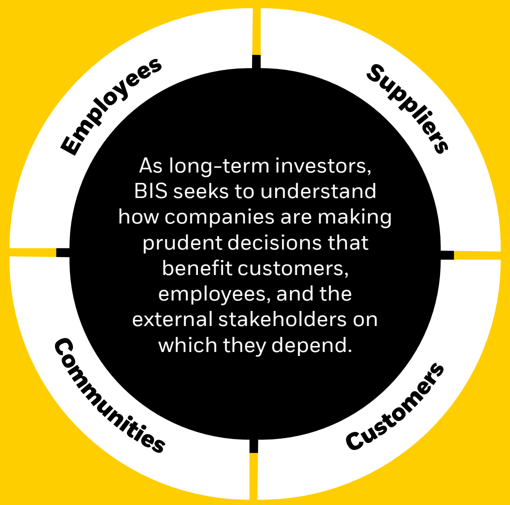
This year, we held 750 engagements with companies on topics related to HCM, an increase of 187% from the same period a year before. In our engagements, we seek to understand how a company's board and management considers issues such as inclusion and diversity, employee development and retention, labor practices, safe working conditions, customer welfare and satisfaction, and community relations.

We also refer to SASB's materiality framework as a helpful tool for companies considering enhancing their disclosures on industry-specific human capital metrics to describe a company's culture, long-term operational risk management practices and, more broadly, the quality of the board's oversight.

Currently, we are participating in SASB's consultation* to enhance its human capital reporting standards and remain committed to contributing to efforts to improve industry standards and incorporate evolving market views. BIS also hosted two roundtables on emerging social issues such as disability inclusion and human rights.

Creating sustainable long-term value via multiple stakeholders

We believe that to deliver value for shareholders, companies must also meet the needs of other stakeholders — employees, suppliers, customers, and the communities in which they operate. As Larry Fink pointed out in this year's letter to CEOs, "Each company's prospects for growth are inextricable from its ability to operate sustainably and serve its full set of stakeholders."



*More information on SASB's consultation is available at https://www.sasb.org/standard-setting-process/current-projects/human-capital/.

Case studies

Employees

Evaluating workforce diversity practices in the U.S.

Our approach to HCM focuses on the board and management's effectiveness in overseeing how a company meets the expectations of its workforce. As such, we have been evaluating companies' efforts to create a diverse and inclusive workforce for many years.

We continue to believe that clear and consistent reporting on these matters is critical. In 2019-20, we conducted numerous engagements in the U.S. on diversity in the workplace and supported shareholder proposals that addressed issues such as the gender pay gap, inclusion and diversity, and LGBTQ+ rights:

- We supported a shareholder proposal at CorVel that requested information regarding the risks associated with omitting sexual orientation and gender identity from its written equal employment opportunity (EEO) policy. After careful analysis, we determined the company did not provide a sufficient rationale for failing to provide these disclosures to shareholders and other stakeholders.
- For the second consecutive year, we supported a shareholder proposal at Oracle that called for more robust reporting on whether a gender pay gap exists among its employees, as we believe the company's current disclosures lag its peers.
- At Genuine Parts Company, we supported a shareholder proposal that called for SASB-aligned reporting on human capital risks and opportunities after concluding that management had not demonstrated adequate responsiveness to shareholders' concerns.
- We also supported a shareholder proposal at Fortinet that demanded greater disclosure around the company's diversity and inclusion efforts after determining that management had made insufficient progress with respect to reporting on this topic.

Over the past few months, many companies have made public statements of intent regarding diversity targets and racial equity. As Larry Fink communicated in June 2020, "To better serve our clients, we will focus on racial equity and social justice in our investment and stewardship activities." We are committed to advocating for more robust disclosures to better understand how companies are working deliberately to deliver an inclusive and diverse work environment. We look to boards to assess a company's progress on this goal and to hold executive leadership accountable if they fall short in supporting the needs and meeting the expectations of their employees.

Customers

Lack of board oversight jeopardizes customer safety and welfare

Over the past few years, the Boeing Company has faced intense criticism and scrutiny after two fatal crashes involving the 737 MAX model in October 2018 and March 2019. The company ultimately suspended production of the MAX model in January 2020, impacting several of Boeing's suppliers, as well as airlines that have had to cancel prior orders for the MAX model.

In addition, a preliminary Congressional report highlighted a "culture of concealment" that led Boeing to withhold crucial information from pilots, airlines, and the Federal Aviation Administration (FAA), and downplay safety precautions. We engaged extensively with members of Boeing's board and management team to better understand board oversight, risk mitigation, and remediation of the 737 MAX crisis.

Based on our analysis and engagement conversations, we voted against the re-election of four board members — all of whom were on the board at the time strategic decisions were made regarding the design of the 737 MAX model — due to the board's failure to exercise sufficient oversight of management strategy and corporate culture, which contributed to the fatal crashes.

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Communities

Encouraging sustainable practices in South Korea and Indonesia

BIS has been conducting multi-year engagements with a South Korean trading and resource development company to address a range of ESG issues, including the E&S impacts of its palm oil operations in Indonesia, its sustainability reporting practices, as well as the governance structure in place to ensure adequate oversight and management of material ESG risks. BIS has also been engaging with its parent company, a South Korean steelmaker.

Both companies have demonstrated some level of improvement in their corporate governance practices and took a series of measures to address our concerns. In March 2019, the parent company launched a Corporate Citizen Committee to provide advice on corporate citizenship strategies and global ESG trends. During the first half of 2020, the parent company expanded the committee across the corporate structure and established an ESG Secretariat in each subsidiary. The company also became the first Korean business to unveil a No Deforestation, No Peat, No Exploitation (NDPE) policy for its palm oil operations and is taking the appropriate steps to become a Roundtable on Sustainable Palm Oil (RSPO) certified producer.

In light of a recent complaint placed by four NGOs against the trading company's Indonesian subsidiary and two of its local lenders for violations of the OECD Guidelines for Multinational Enterprises, BIS engaged with the trading company to understand the issues.* The NGOs attribute adverse environmental impacts, specifically, deforestation and loss of biodiversity, to the subsidiary's oil palm plantation. The NGOs also claim the company did not carry out human rights due diligence nor obtain Free, Prior and Informed Consent (FPIC), infringing the rights of indigenous peoples and local communities' access to water.

BIS expressed our concern, and as detailed in our approach to engagement with the palm oil industry, we reiterated how we expect companies to disclose E&S factors relevant to their long-term economic performance, including how their governance framework fully integrates the handling of grievances submitted by employees, communities, and other industry and company stakeholders. We also recommended that both companies, including key subsidiaries, further improve their carbon emissions disclosures by integrating the TCFD framework and SASB standards into their annual sustainability reports.* We will monitor the situation as it develops and will continue to evaluate the company's progress on ESG-related risks disclosures at the group, company and subsidiary level.

The OECD grievance mechanism procedure consists of five stages and is handled by the country's OECD National Contact Point (NCP). Through our engagements, BIS was notified that the complaint has reached stage three and that the Korean NCP is currently working towards setting up a round of discussions between all parties involved. * The parent company published its sustainability report for FY2019 in July this year, mapping material ESG risks to SASB and TCFD metrics. The trading subsidiary released an abridged ESG report in August and shared that it will publish its full sustainability report in Q3 2020, also mapping material ESG risks to SASB and TCFD.

Suppliers

Engaging across a global supply chain to advocate for improved labor processes and disclosures

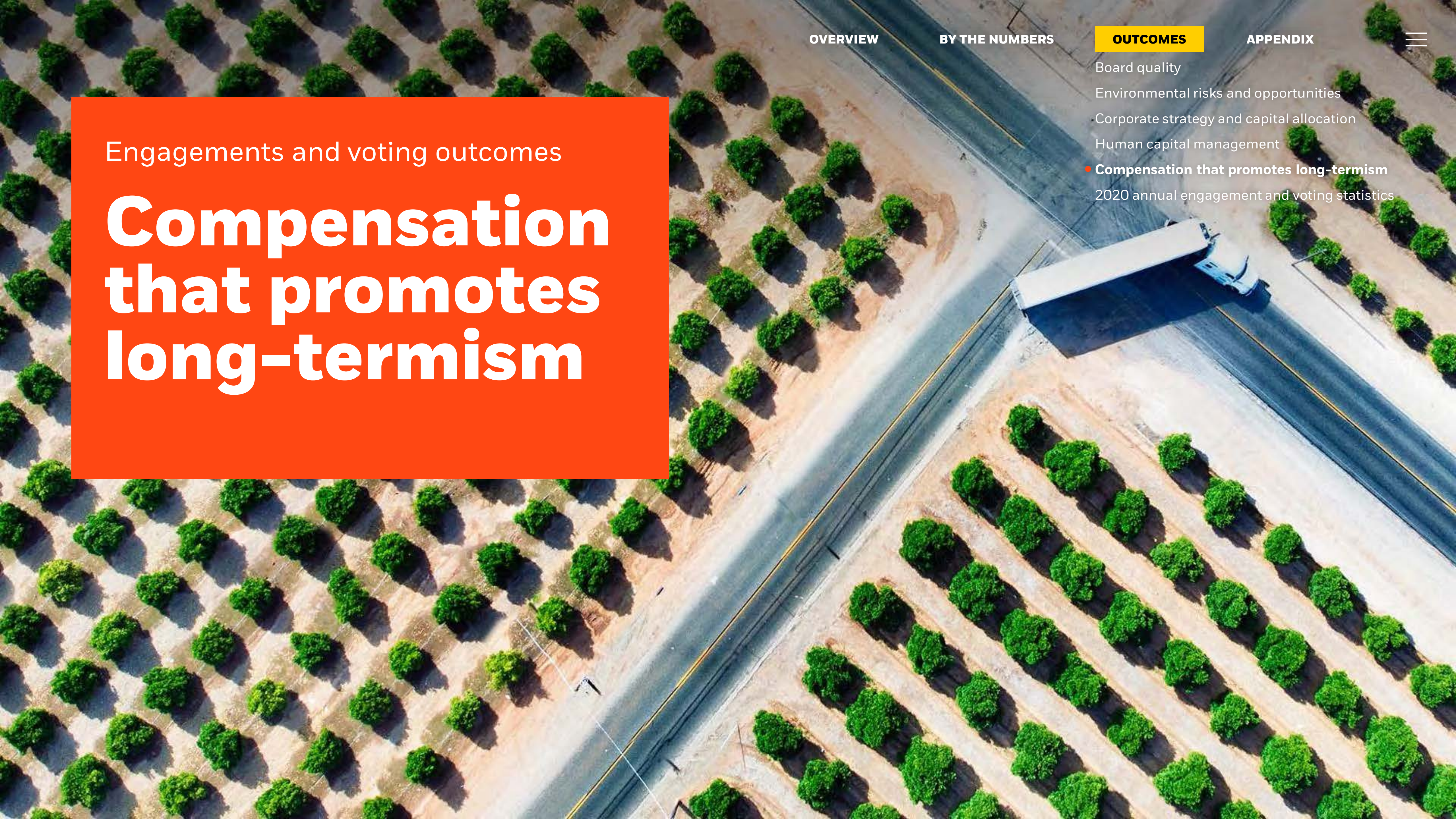
Multinational companies have become increasingly dependent on global supply chains that are subject to varying in-country regulations. Operators in these supply chains often have varying standards of commercial practices. At the same time, these companies are facing greater scrutiny of how they address operational, legal, financial, and reputational risks that could arise when they fail to manage the direct and indirect impacts their business practices may have on people they employ directly and through their supply chains. As a long-term investor, we believe that having a better understanding of how companies are overseeing, mitigating, and remediating those risks is an important component of our ability to steward our clients' assets.

Earlier this year, we engaged with a multinational automobile corporation to assess how the company was effectively implementing its human rights policy. The company adopted a supplier code of conduct to ensure that its suppliers and business partners complied with its human rights policy and code of conduct, among other policies. However, in advance of this year's annual meeting, shareholders filed a proposal requesting more information regarding how the company was ensuring compliance, monitoring performance, and remediating potential or actual adverse impacts within its supply chain.

The BIS team supported management after the company said it was willing to address the situation, was in the process of enhancing its reporting and committed to conducting greater human rights due diligence.

BIS also engaged with the supplier in question, an electronics device manufacturer, following allegations that it was in violation of labor practices. According to a third-party report, the supplier has been limiting the rights of its workers since 2017. We shared our concerns about these allegations and our expectations of companies in terms of employment practices. We learned from the company that a number of its global clients have been conducting annual on-site audits and certification on workplace safety and employee welfare. The supplier also informed BIS that it was starting to engage with investors on this topic and expressed its willingness to maintain an ongoing dialogue.

Following these engagements, the automaker published additional disclosures in its sustainability report, stating that it had audited the supplier, and subsequently cancelled its contract in response to the allegations. We are closely monitoring these developments and will continue to evaluate progress and engage with both companies to encourage practices that benefit shareholders and stakeholders over the long-term.



Engagements and voting outcomes

Compensation that promotes long-termism

In our engagements, we seek to understand how a specific pay program appropriately incentivizes executives to deliver on strategic and operational objectives, consistent with sustainable long-term financial performance.

Executive compensation continues to garner significant attention. Company executive pay proposals range from non-binding Say on Pay proposals in the U.S., to compensation reports and compensation policy proposals in EMEA* and Australia** as well as new share plans or revisions to existing ones. These plans are central to how companies attract, reward, and retain key personnel. In developing executive compensation plans, companies must balance pay and performance while ensuring that rewards to executives are not disconnected from the returns to shareholders and compensation for employees.

BlackRock Investment Stewardship (BIS) explains in our approach to executive compensation our expectations and analysis framework, as well as our approach to engagement and voting on this complex board issue. In general, we expect a meaningful portion of executive pay to be tied to the long-term performance of the company, as opposed to short-term increases in the stock price. The metrics used to trigger payments under incentive plans should be explained and justified in the context of a company's business model and long-term strategy.

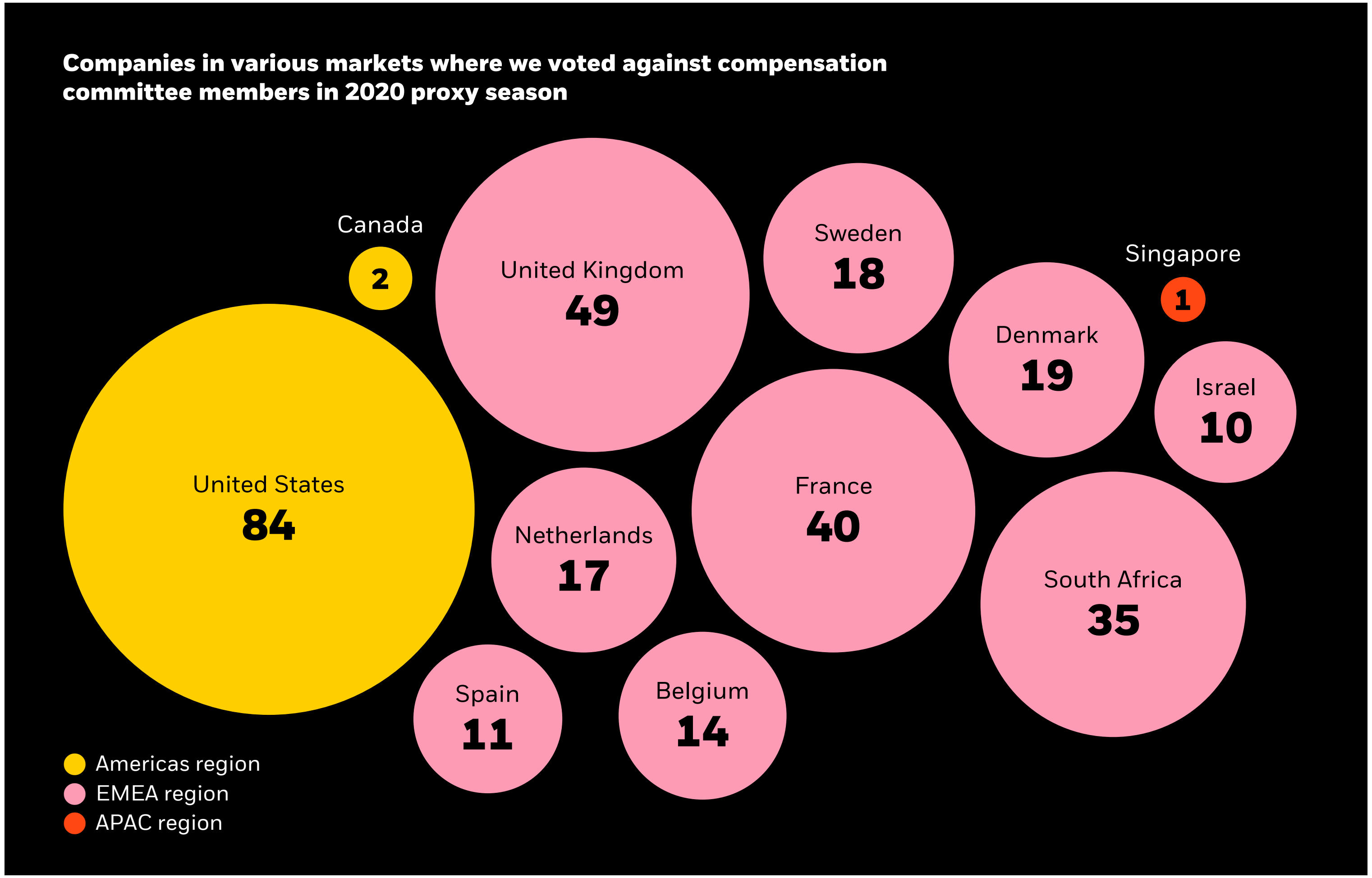
This year, we had nearly 1,200 engagements with just over 950 companies — or about 40% of our total engagements for the year — on executive compensation practices. In these engagements, we seek to understand how a specific pay program appropriately incentivizes executives to deliver on strategic and operational objectives, consistent with sustainable financial performance. These conversations also help us better understand any unique challenges companies face, how management responded, and how compensation committees incorporate such evolving factors into their decisions on pay policies and outcomes.

*Many of these EMEA compensation proposals may be binding. **For consistency, in this report we refer to all EMEA and Australia agenda items relating to 'remuneration' as 'compensation.'

Director accountability for poor pay practices

We voted against the re-election of over 660 compensation committee directors responsible for setting executive pay at 337 companies across 28 markets globally. That is similar to last year when we voted against 741 compensation committee directors at 342 companies across 26 markets. These votes against compensation committee members are attributable to concerns that executive pay policies or outcomes are not aligned with the interests of long-term shareholders. We will typically vote against both the proposals on pay policies or specific plans and against the directors on the compensation committee responsible for them when we have such concerns.*

For the second consecutive year, our votes against compensation committee members were highest at U.S. companies. We held directors accountable for poor pay practices at 84 different companies this year. This figure is up from the prior two reporting years when we voted against committee members at 74 and 60 U.S. companies, respectively. Other markets where companies received relatively high votes against directors due to pay concerns were the UK (49), France (40), and South Africa (35).



*In some markets, shareholders may also be asked to vote on a proposal seeking approval of a company's compensation policies or new or amended share-based incentive plans.

Lens into executive compensation voting

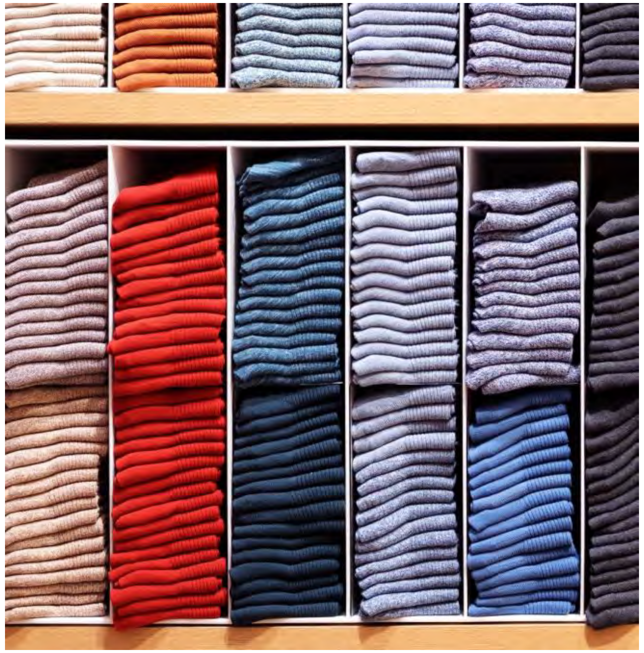
Globally, we voted against management recommendations on 16% of executive pay proposals (includes Say on Pay — also known as remuneration reports — and remuneration policy proposals) compared with 15% in the previous year. Our votes reflect the substantial disparities in the quality of disclosure across markets in which Say on Pay is a regular agenda item at the shareholder meeting. In the U.S., Australia, and the UK, where companies' compensation disclosures are typically more advanced as a result of market expectations and longer established rules, we voted against management on approximately 4%, 5%, and 8%, respectively, of the proposals to approve executive pay practices.* Companies in those markets tend to have a stronger track record in linking pay to performance or explaining and justifying any apparent misalignments.

*In our analysis for our voting on executive compensation, we include our votes for non-binding advisory votes on Say on Pay proposals in the U.S., as well as compensation reports and compensation policy proposals typically voted on in the EMEA region and Australia.

Case study

Sustainability and executive compensation

In recent years, we have expressed our concerns relating to Swedish retailer H&M Hennes & Mauritz's board governance and executive compensation by voting against management. This year we supported a shareholder proposal seeking sustainability targets in pay. We did so because the company's own compensation guidelines indicated that it uses sustainability targets in setting executive pay, yet little was disclosed. In this case, having clarity into how H&M incorporates sustainability into executive pay plans helps shareholders understand how management is incentivized to deliver this aspect of the company's strategy. Encouragingly, in our subsequent engagement with the company, the board recognized that now was a good time (particularly, as we noted to them, following the implementation of the Shareholder Rights Directive (SRD II) which we discuss further in the next section) to seek investor feedback and consider where additional transparency could be provided.



SRD II should improve practices in Europe

The Shareholder Rights Directive II (SRD II) is an amended European Union (EU) directive. Implemented as national state law this year, the directive focuses on enhancing the oversight of companies through a strengthening of the relationship between companies and their shareholders. Two of the most notable changes expected to result from SRD II are:

- enhanced engagement between issuers and investors, promoted through rules requiring investors to establish engagement policies; and
- greater scrutiny of proposed executive compensation arrangements leading to improved disclosures and practices. Companies must meet enhanced executive compensation disclosure requirements in their reporting, which may vary across the EU depending on how Member States implement the directive.

This year, our engagement and voting on executive compensation in Europe were shaped, to an extent, by the implementation process for SRD II. Because of delayed implementation in some markets, notably Germany, we have had only limited engagement with companies, as new compensation policies were not required to be put to a shareholder vote.

This meant that we started voting on companies' policies in some markets in 2020. Nonetheless, the requirements of SRD II have been in the public domain for some time before implementation and we made our expectations in relation to executive compensation clear over the past few years in our regional proxy voting guidelines. For this reason, we expected companies to demonstrate strong pay practices as well as levels of transparency. In many cases, however, companies did not meet this standard, so we voted against a significant number of proposals in Denmark, Sweden, and the Netherlands.

A number of companies did engage with us to seek our views on the enhancements they are considering to their current disclosures. A German healthcare company and a Dutch retailer both shared with us that they were either making substantial overhauls to their executive pay plan or enhancing their compensation policy documents. In markets like France and the UK — where shareholder votes on compensation policies and reports have been a feature for some time — we see an improving picture, with a lower percentage of votes against this year compared with the year before.

Our policies align with the SRD II's disclosure expectations on executive pay. We anticipate that more detailed disclosures will lead to higher levels of votes against pay near term, as pay practices, and reporting on them, develop.

Compensation developments in Australia

The 2019 Financial Services Royal Commission findings continued to reverberate through compensation practices and reports. No discussion on the topic would be complete without reference to the Australian Prudential Regulation Authority (APRA) consultation. The APRA consultation sought input on a draft prudential standard aimed at clarifying and strengthening compensation requirements in APRA-regulated entities. In it, APRA proposed creating a new prudential standard (CPS 511) to better align compensation frameworks with the long-term interests of entities and their stakeholders, including customers and shareholders.

In principle, BlackRock agreed with the intent of the APRA proposal. However, one component that received quite a bit of dissent — and echoed concerns that BlackRock expressed — centered around the prescriptive demarcation of financial and non-financial risks.

In the wake of the consultation and the 2018 proxy season (which is October to December in Australia), where three large financial institutions received first strikes, i.e. a significant vote against on pay,* financial institutions were cautious in setting their 2019 compensation. Our engagements concentrated on companies increasing accountability, improving disclosure, and enhancing culture and governance.

For example, one large financial institution that had received a strike in 2019, adopted a conservative approach and reverted to a previously approved scheme that featured a long-term incentive, as well as awarded zero short-term incentives. The deferral and performance period for the performance rights were also extended from three years to four years and became subject to malus provisions. Prior, we had abstained from the vote on compensation in 2018 and engaged with the company extensively leading into the 2019 shareholder meeting, at which we supported the pay proposal.

Another financial institution responded to a compensation strike in 2019 by enhancing its accountability and consequence framework. The 2019 compensation report disclosed additional statistics on the enforcement of accountabilities, including: number of employees terminated, number of employees who received a formal disciplinary outcome, which included impacts on compensation outcomes, and the number of employees who had consequences applied for code of conduct breaches.

Consultation responses

As markets across the region look to enhance their governance, stewardship codes, and shareholder rights policies, we saw a wave of consultations, particularly in APAC. A significant amount of time and effort goes into BIS' responses to consultations and statements of adherence on stewardship. During the 2020 reporting period, in addition to the APRA consultation we provided responses to two consultations in Hong Kong on ESG disclosure and corporate weighted voting rights, stewardship codes in Taiwan and Japan, and a consultation on proxy advisors in India. Our responses can be found on our website.

In addition, BIS has been invited to participate in various soft consultations and informal discussions with regulators and policy makers to provide market feedback and raise issues that regulatory standards could address. These are generally before public consultations are launched and help shape the evolution of the regulatory environment.

*A strike is when a company gets a vote against of 25% or more on its proposal to approve the compensation report. The two-strikes rule was introduced in 2011. Under the rule, if shareholders representing 25% or more of a company's share register vote against a company's executive pay package in two consecutive years, the board, excluding the CEO, may be required to stand for special re-election and could potentially be voted out of office.

Common drivers for a BIS vote against management on executive compensation

- Poor disclosure or the lack of rigor of performance measures compared to industry standards that can lead to the above-target payouts under either short- and long-term incentive plans
- Above-median pay benchmarking and significantly larger companies in peer group
- Poor disclosure of goals under its incentive plans or of the vesting conditions for performance-based awards granted under the long-term incentive plans
- Awarding discretionary awards not linked to performance and without robust rationale
- Accelerated timing and payout of certain performance share units
- Sizable and unjustified perquisites

Case study

Persistent engagement and vote escalation on compensation can yield positive outcomes

A UK self-storage company showed a willingness to improve its compensation practices this year having had a string of votes against management on executive pay dating back to 2017. Following these votes and our multi-year engagements with the company, including prior to the 2020 shareholder meeting, the company announced it would make changes to its compensation practices. These changes were reflected in the management's updated compensation policy and long-term incentive plan, which we supported; both received nearly 98% shareholder support. This example affirms BIS' view that our persistence in providing our feedback through engagements, coupled with voting against pay when a company does not align pay with performance, can lead to improved executive pay practices.

Votes against equity plans over the past three years

We voted against 18% of management proposals to introduce new equity pay plans or amend existing ones at companies globally this year. In the Americas region, our votes against equity compensation plans have averaged 13% over the past three years. We noted in last year's annual report that in the Americas, we tend to vote against such plans more frequently at smaller capitalization companies. This confirms a general trend that we see in corporate governance practices, namely that smaller capitalization companies tend to still be developing their governance and compensation policies in pursuit of best practices.

As the table below shows, on a global basis, we have supported more equity pay plans year-over-year. This increase is largely attributable to supporting more equity plans in the APAC region. We voted against 37% of equity plans in APAC in 2018, 29% in 2019, and 18% in 2020. The single biggest driver of this downward trend was improved disclosures by companies in China, particularly on the alignment between the awards to management and company performance. In EMEA, we observed an overall decline in votes against equity plans from 32% in 2018-19 to 30% in 2019-20. We find that we are voting against equity plans at a higher rate in France, Italy, Denmark, and the Netherlands — which reflects a similar voting outcome to executive compensation. By contrast, in the Americas region, our votes against equity plans remained steady, ranging from 14% in 2018-19 to 12% in 2019-20.

Reporting period	Number of equity plan votes globally	Votes against equity plans	% of votes against
2017-18	2,351	633	27%
2018-19	2,455	577	24%
2019-20	2,431	428	18%

Engagements and voting outcomes

2020 annual engagement and voting statistics

These data tables provide summary statistics of BlackRock Investment Stewardship's (BIS) engagements with companies and voting at shareholder meetings.

Our reporting period is July 1, 2019 to June 30, 2020, representing the 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.

We organize the proposals on which shareholders are asked to vote into key categories. The vast majority of proposals are routine and relate to the election of directors and board governance matters, reflective of 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.

Annual engagement statistics

Engagement for current year: July 1, 2019-June 30, 2020*

		Focus of engagement**		
Region	**Total**	**Environmental**	**Social**	**Governance**
Americas	1,484	729	571	1,410
United Kingdom	277	63	51	265
EMEA (ex-UK)	378	130	82	354
Japan	446	109	97	436
Asia-Pacific (ex-Japan)	458	229	164	417
Total	**3,043**	**1,260**	**965**	**2,882**

Engagement for past year: July 1, 2018-June 30, 2019*

		Focus of engagement**		
Region	**Total**	**Environmental**	**Social**	**Governance**
Americas	855	146	117	775
United Kingdom	260	16	36	251
EMEA (ex-UK)	300	47	56	284
Japan	397	55	75	394
Asia-Pacific (ex-Japan)	238	52	69	227
Total	**2,050**	**316**	**353**	**1,931**

*The 12-month period represents the SEC reporting period for U.S. mutual funds, including iShares. **Most engagement conversations cover multiple topics and therefore the ESG columns may not add up to the total column. Our engagement statistics reflect the primary topics discussed during the meeting.

Annual voting statistics

Voting for current year: July 1, 2019-June 30, 2020

Region	Total number of meetings voted	Total number of proposals voted	% of proposals voted against management recommendation	% of meetings voted against one or more management recommendations
United States	3,781	30,492	7%	30%
Americas (ex-U.S.)	916	8,500	10%	48%
United Kingdom	775	10,951	5%	31%
EMEA (ex-UK)	2,434	32,314	13%	58%
Japan	2,350	23,562	6%	36%
Asia-Pacific (ex-Japan)	5,945	47,182	9%	34%
Total	**16,201**	**153,001**	**9%**	**37%**

Voting for past year: July 1, 2018-June 30, 2019

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

Proposals by type

Votes against management items and votes in support of shareholder proposals by type for the current year: July 1, 2019 – June 30, 2020

Region		United States	Americas (ex-U.S.)	United Kingdom	EMEA (ex-UK)	Japan	Asia-Pacific (ex-Japan)	Grand total
Management proposals (with percentage of votes against management)								
Anti-takeover and related proposals	Total number of proposals	452	36	429	105	98	59	**1,179**
	% voted against management	8%	3%	0%	40%	92%	2%	**15%**
Capitalization	Total number of proposals	436	257	2,337	3,177	46	8,180	**14,433**
	% voted against management	7%	7%	2%	13%	4%	16%	**13%**
Compensation	Total number of proposals	4,292	538	1,052	3,842	942	2,748	**13,414**
	% voted against management	6%	8%	8%	32%	13%	16%	**16%**
Election of directors and related proposals	Total number of proposals	21,032	5,170	4,373	12,582	20,058	14,448	**77,663**
	% voted against management	8%	7%	9%	12%	6%	8%	**8%**
Mergers, acquisitions, and reorganization	Total number of proposals	249	132	115	954	558	5,574	**7,582**
	% voted against management	2%	5%	2%	11%	5%	16%	**14%**
Routine business	Total number of proposals	3,500	2,269	2,627	10,874	1,587	13,948	**34,805**
	% voted against management	1%	19%	2%	9%	0%	3%	**5%**
Shareholder proposals (with percentage of proposals supported including abstentions)								
Environmental	Total number of proposals	27	7	2	13	49	13	**111**
	% support	19%	14%	0%	8%	0%	0%	**6%**
Governance	Total number of proposals	369	16	13	268	145	47	**858**
	% support	14%	13%	0%	25%	5%	36%	**17%**
Social	Total number of proposals	84	20	1	3		10	**118**
	% support	8%	0%	0%	33%		0%	**7%**
Other	Total number of proposals	51	55	2	496	79	2,155	**2,838**

Percentages are rounded down to the nearest whole number.
"Other" proposals include management items and procedural shareholder proposals. Please refer to Appendix I for proposal terminology.

Votes against management items and votes in support of shareholder proposals by type for the current year: July 1, 2018 – June 30, 2019

Region		United States	Americas (ex-U.S.)	United Kingdom	EMEA (ex-UK)	Japan	Asia-Pacific (ex-Japan)	Grand total
Management proposals (with percentage of votes against management)								
Anti-takeover and related proposals	Total number of proposals	441	48	433	82	76	49	**1,129**
	% voted against management	7%	6%	0%	49%	92%	2%	**13%**
Capitalization	Total number of proposals	388	263	2,414	3,182	34	7,819	**14,100**
	% voted against management	5%	7%	1%	11%	9%	14%	**11%**
Compensation	Total number of proposals	4,292	571	929	3,401	1,152	2,842	**13,187**
	% voted against management	6%	11%	11%	31%	14%	19%	**17%**
Directors related	Total number of proposals	21,954	5,908	4,441	12,352	22,476	13,610	**80,741**
	% voted against management	8%	6%	10%	12%	6%	8%	**8%**
Mergers, acquisitions, and reorganization	Total number of proposals	273	216	112	938	707	5,428	**7,674**
	% voted against management	1%	11%	1%	8%	4%	13%	**11%**
Routine business/Misc.	Total number of proposals	3,545	2,421	2,774	11,451	1,798	12,410	**34,399**
	% voted against management	1%	20%	0%	7%	1%	4%	**5%**
Shareholder proposals (with percentage of proposals supported including abstentions)								
Environmental	Total number of proposals	25	9	3	12	43	7	**99**
	% support	24%	0%	33%	0%	0%	0%	**7%**
Governance	Total number of proposals	354	45	10	204	91	55	**759**
	% support	19%	13%	0%	42%	8%	31%	**24%**
Social	Total number of proposals	79	9		3	1	3	**95**
	% support	5%	0%		0%	0%	0%	**4%**
Other	Total number of proposals	24	97	16	312	31	1,735	**2,215**

Percentages are rounded down to the nearest whole number.
"Other" proposals include management items and procedural shareholder proposals. Please refer to Appendix I for proposal terminology.
Total number of 2018-19 proposals by type vary from annual voting statistics due to updated categorization.

Appendix

Appendix I
Proposal terminology explained

Management proposals

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

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

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.

Shareholder proposals

Governance — generally involves key corporate governance matters affecting shareholder rights including governance mechanisms and related article/bylaw amendments, as well as proposals on compensation, political spending, and lobbying policies.

Environmental — covers shareholder proposals relating to reports on climate risk, energy efficiency, recycling, community environmental impacts, and environmental policies.

Social — includes shareholder proposals relating to a range of social issues such as reports on pay disparity, requests for enhanced anti-bias policies, or reports on human rights policies.

Other — includes a number of shareholder proposals that fall outside the categories that most shareholders would view as ESG proposals. These resolutions include (but are not limited to) electing directors in contested situations, appointing internal statutory auditor(s) nominated by shareholders, amending articles/bylaws/charters, and approving the allocation of income/income distribution policy. Additionally, there are a substantial number of shareholder proposals in Greater China relative to other markets. This is due to the China Securities Regulatory Commission (CSRC) requiring companies that have a foreign listing to submit their proposals 45 days prior to the meeting (which applies to all Chinese companies that have an A share listing in China together with H-shares listed in Hong Kong). However, the CSRC allows shareholder proposals for these companies to be included up to 10 days prior to the meeting. The result is that many shareholder proposals are submitted by controlling shareholders and are, in effect, late agenda items from management.

Appendix II
Overview of key publications

In early 2020, we updated Engagement Priorities for 2020 and, for the first time, we introduced key performance indicators for each priority, which detail how we will hold boards accountable for progress on these important long-term issues. In addition, we mapped our Priorities to the United Nations Sustainable Development Goals (UN SDGs) to enable interested clients to see how our areas of focus align with and may contribute to the realization of the UN SDGs.

Approach to sustainability

As part of our commitment to greater transparency in our investment stewardship activities, in July 2020 we published this special report on our approach to voting on climate risk and other sustainability topics.

Global quarterly stewardship report

BIS publishes quarterly stewardship reports to demonstrate our approach to corporate governance. For 2020, we have consolidated our regional quarterly reports into a single global report that highlights our perspective on a wide range of issues as well regional case studies that illustrate our engagements and voting analyses in a given quarter.

Global quarterly engagement activity

A new, topic-level summary that for the first time names the company we engaged with during each quarter as well as the topics of engagement.

Global vote disclosure

BIS' vote instructions for individual meetings globally. This record reflects votes at meetings held from July 1st through June 30th of the following year. It is updated quarterly until June 30th each year, when it is superseded by BlackRock's annual Form N-PX filing.

Vote bulletins

Where we believe it will be beneficial to various stakeholders to articulate our voting decisions at certain shareholder meetings, we publish a Voting Bulletin explaining the rationale for how we have voted on select proposals, and (where relevant) provide information around our engagement with the issuer. We have published 45 bulletins between January 1st and August 31st, 2020.

Air Liquide	First Pacific	Royal Dutch Shell
Alphabet	Fortum	Sanderson Farms
Amazon	H&M Hennes & Mauritz AB	Santander Consumer Holdings
Barclays	HeidelbergCement	Santos
Boeing	ICBP	Siemens
CEZ	JB Hunt	Swedbank
Cheniere	Lufthansa	Toshiba Machine
Chevron	Maersk	Total SA
Daimler AG	Mizuho	TransDigm
Danske Bank	National Fuel Gas	Uniper
Delta Air Lines	Ocado	Volvo AB
Disney	Overstock.com	Walmart
Equinor	Ovintiv	Wheelock
Evraz	PGE	Woodside
Exxon Mobil	Qualcomm	
Facebook		

Position papers

We have continued to add to our library of position papers, explaining our approach to engagement with companies on a number of sustainability issues, including:

- Our approach to engagement on climate risk
- Our approach to engagement on TCFD-and SASB-aligned reporting
- Our approach to engagement with agribusiness companies on sustainability
- Emissions, engagement, and the transition to a low-carbon economy
- Best practices when using an independent fiduciary in proxy voting
- Securities lending viewed through the sustainability lens
- Europe's listed companies: their governance, shareholders and votes cast

These publications reflect our commitment to enhanced transparency and our focus on sustainability issues in our stewardship activities.

Enhanced client reporting

We implemented a new capability through Aladdin® to deliver portfolio-specific company engagement reports for our clients.

Appendix III
BlackRock's 2020 PRI assessment report and score

BlackRock has been a signatory to the United Nations supported Principles for Responsible Investment (PRI) since 2008. The six aspirational statements of PRI provide a framework in which ESG issues can be taken into account in investment decision-making and engagement with investee companies, clients and other stakeholders. As a signatory, BlackRock commits to uphold all six principles, including Principle 6: We will each report on our activities and progress towards implementing the principles. To that end, BlackRock has submitted a 2020 PRI Transparency Report and has received PRI's Assessment of that report. A copy of our 2020 PRI Transparency Report can be found on BlackRock's corporate website.

In 2020, as in 2019, PRI assessed BlackRock's ESG integration capabilities to be at or above median scores in each of the reporting segments.

In 2020, our Investment Stewardship function received A+ scores in Strategy & Governance and Listed Equity Active Ownership. Notably, our score in Listed Equity Incorporation improved year-over-year from A to A+. We are pleased to see these continuing strong results against a backdrop of rising median peer group scores, most notably across fixed income sectors.

PRI's assessment methodology can be found here and a companion document explaining the assessment of each indicator can be found here. Whether we receive strong or improving scores, we are committed to developing our ESG integration capabilities, and we work continuously to enhance our existing programs.

Summary PRI assessment scores for BlackRock

		2019 BLK score	2020 BLK score	2020 median
	Strategy & Governance	A+	A+	A
Managed by BlackRock	Listed Equity Incorporation	A	A+	A
Managed by BlackRock	Listed Equity Active Ownership	A+	A+	B
Managed by BlackRock	Fixed Income SSA	A	A+	B
Managed by BlackRock	Fixed Income Corporate Financial	A	A+	B
Managed by BlackRock	Fixed Income Corporate Non-Financial	A	A+	B
Managed by BlackRock	Fixed Income Securitized	B	A	B
Managed by BlackRock	Private Equity	A	A+	A
Managed by BlackRock	Property	A	A+	B
Managed by BlackRock	Infrastructure	A	A+	A
Advisory	Listed Equity Incorporation	A	A	A
Advisory	Fixed Income SSA	A	A	B
Advisory	Fixed Income Corporate Financial	A	A	A
Advisory	Fixed Income Corporate Non-Financial	A	A	A
Advisory	Fixed Income Securitized	A	A	A
Advisory	Private Equity	A	A+	A
Advisory	Infrastructure		A+	A

Source: PRI Data Portal, as of 7/31/2020.

Appendix IV
Engagements

BIS had substantive interaction with the companies listed on the following pages. This list does not include companies where we engaged solely via letter. Our team engages companies for various reasons including: 1) to ensure that we can make well-informed voting decisions, 2) to explain our voting and governance guidelines, and 3) to convey our thinking on long-term value creation and sound governance practices.

Americas

1212771 BC LTD
3M Company
Abbott Laboratories
AbbVie, Inc.
ACADIA Pharmaceuticals, Inc.
Acadia Realty Trust
ACCO Brands Corporation
Achillion Pharmaceuticals, Inc.
Actinium Pharmaceuticals, Inc.
Activision Blizzard, Inc.
Acuity Brands, Inc.
Adial Pharmaceuticals, Inc.
Adtalem Global Education, Inc.
Advanced Energy Industries, Inc.
Advanced Micro Devices, Inc.
AECOM
Aerojet Rocketdyne Holdings, Inc.
AES Corporation
AES Gener S.A.
AES Tiete Energia SA
Affiliated Managers Group, Inc.
Aflac Incorporated
AGCO Corporation
Agios Pharmaceuticals, Inc.
AGNC Investment Corp.
Air Lease Corporation
Aircastle Limited
Alamo Group, Inc.
Alamos Gold, Inc.
Alaska Air Group, Inc.
Albemarle Corporation
Alcoa Corp.
Alexion Pharmaceuticals, Inc.
Allegheny Technologies Incorporated
Allegiant Travel Company
Allstate Corporation
Almacenes Exito SA
Alphabet, Inc.
Alsea, S.A.B. de C.V.
Altimmune, Inc.
Altria Group, Inc.
AMAG Pharmaceuticals, Inc.
Amazon.com, Inc.
Ambac Financial Group, Inc.
Ambev SA
AMC Networks, Inc.
Ameren Corporation
America Movil SAB de CV
American Airlines Group, Inc.
American Axle & Manufacturing Holdings, Inc.
American Eagle Outfitters, Inc.
American Electric Power Company, Inc.
American Express Company
American International Group, Inc.
American Woodmark Corporation
Ameriprise Financial, Inc.
Amgen Inc.
Amicus Therapeutics, Inc.
AMN Healthcare Services, Inc.
Amneal Pharmaceuticals, Inc.
Amphastar Pharmaceuticals, Inc.
Amphenol Corporation
Analog Devices, Inc.
ANI Pharmaceuticals, Inc.
Anika Therapeutics, Inc.
Anima Holding SA
Anixa Biosciences, Inc.
Annaly Capital Management, Inc.
Apache Corporation
Apartment Investment & Management Co
Apple, Inc.
Applied Materials, Inc.
Applied Optoelectronics, Inc.
Aramark
Arca Continental SAB de CV
Arch Capital Group Ltd.
Archer-Daniels-Midland Company
Arcosa, Inc.
Argan, Inc.
Argo Group International Holdings, Ltd.
Arista Networks, Inc.
Arlo Technologies, Inc.
Arrow Electronics, Inc.
Arrowhead Pharmaceuticals, Inc.
Arthur J. Gallagher & Co.
ASGN Inc
Ashford Hospitality Trust, Inc.
Ashford Inc.
Assertio Holdings, Inc.
Assurant, Inc.
Assured Guaranty Ltd.
Asta Funding, Inc.
At Home Group, Inc.
AT&T Inc.
Athene Holding Ltd.
Atlantic Power Corporation
Atlas Air Worldwide Holdings, Inc.
Atmos Energy Corporation
Aurinia Pharmaceuticals Inc.
Automatic Data Processing, Inc.
AutoNation, Inc.
AutoZone, Inc.

Americas cont.

Avangrid, Inc.
Avanos Medical, Inc.
Avantor, Inc.
Avery Dennison Corporation
Avient Corporation
Avis Budget Group, Inc.
Avista Corporation
Avnet, Inc.
AVROBIO, Inc.
Axcelis Technologies, Inc.
Axis Capital Holdings Limited
Axos Financial, Inc.
Aytu BioScience Inc
Azul SA Pfd Registered Shs
AzurRx BioPharma, Inc.
AZZ, Inc.
B2Gold Corp.
B3 SA - Brasil, Bolsa, Balcao
Badger Meter, Inc.
Baker Hughes Company
Ball Corporation
Banco Bradesco SA
Banco Do Brasil S.A.
Banco Santander Mexico SA
Banco Santander-Chile
Bancolombia SA
Bank of America Corp
Bank of Marin Bancorp
Bank of Montreal
Bank of New York Mellon Corporation
Bank of Nova Scotia
Bank of Princeton
BankUnited, Inc.
Barnes Group, Inc.
Barnwell Industries, Inc.
Barrick Gold Corporation
Baxter International, Inc.
BB Seguridade Participacoes SA
Beacon Holdings, Inc.
Becle Sab De Cv
Bed Bath & Beyond, Inc.
Berkshire Hills Bancorp, Inc.
Big Lots, Inc.
Biohaven Pharmaceutical Holding Company Ltd.
BioMarin Pharmaceutical Inc.
BioSpecifics Technologies Corp.
Beacon Holdings Inc.
BK Technologies Corp.
Blackstone Group Inc.
Bloom Energy Corporation
Bloomin' Brands, Inc.
bluebird bio, Inc.
Blueprint Medicines Corp.
Boeing Company
Bolsa Mexicana de Valores SAB de CV
Bombardier Inc.
Booz Allen Hamilton Holding Corporation
BorgWarner Inc.
Boston Beer Company, Inc.
Box, Inc.
BR Malls Participacoes S.A.
BR Properties S.A.
Braemar Hotels & Resorts, Inc.
BRF SA
Brickell Biotech, Inc.
Brighthouse Financial, Inc.
Brinker International, Inc.
Brink's Company
Bristol-Myers Squibb Company
Bristow Group, Inc.
Broadcom Inc.
Brookfield Asset Management Inc.
Brooks Automation, Inc.
Bunge Limited
BWX Technologies, Inc.
Cable One, Inc.
Cabot Microelectronics Corporation
Cadence Bancorporation
Cadence Design Systems, Inc.
CalAmp Corp.
Calavo Growers, Inc.
California Resources Corp
Calithera Biosciences, Inc.
Callaway Golf Company
Callon Petroleum Company
Cambrex Corporation
Camil Alimentos SA
Canadian Solar, Inc .
Cannae Holdings, Inc.
Capital One Financial Corporation
Cardinal Health, Inc.
Care.com, Inc.
Castlight Health, Inc.
Caterpillar, Inc.
Cato Corporation
Cboe Global Markets Inc
CCR S.A.
Celanese Corporation
CEL-SCI Corporation
Cemex SAB de CV
Centene Corporation
CenterPoint Energy, Inc.
Centerra Gold Inc.
Central Valley Community Bancorp
Centro De Imagem Diagnosticos SA
Century Aluminum Company
CenturyLink, Inc.
CEVA, Inc.
CF Industries Holdings, Inc.
Charles Schwab Corporation
Chart Industries, Inc.
Charter Communications, Inc.
Chase Corporation
Cheesecake Factory Incorporated
Chemours Co.
Cheniere Energy, Inc.
Chevron Corporation
Children's Place, Inc.
Chipotle Mexican Grill, Inc.
Church & Dwight Co., Inc.
Churchill Downs Incorporated
Chuy's Holdings, Inc.
Ciena Corporation
Cigna Corporation
Cincinnati Financial Corporation
CIRCOR International, Inc.
Cirrus Logic, Inc.
Cisco Systems, Inc.
CIT Group, Inc.
Citigroup, Inc.
Citizens Financial Corporation
Citizens Financial Group, Inc.
Citizens, Inc.
Citrix Systems, Inc.
Clearway Energy, Inc.
Clorox Company
CME Group Inc.
CMS Energy Corporation
CNO Financial Group, Inc.
Coca-Cola Company
Coeur Mining, Inc.
Cogent Communications Holdings Inc
Cognex Corporation
Coherus Biosciences, Inc.
Colgate-Palmolive Company
Colony Bankcorp, Inc.
Colony Capital, Inc.
Colony Credit Real Estate, Inc.
Comcast Corporation
Comerica Incorporated
Comfort Systems USA, Inc.
CommScope Holding Co., Inc.
Companhia Brasileira de Distribuicao
Companhia de Locacao das Americas
Companhia de Saneamento de Minas Gerais
Companhia Energetica de Minas Gerais SA
comScore, Inc.
Concentradora Fibra Danhos SA De CV
Concho Resources Inc.
Conn's, Inc.

Americas cont.

ConocoPhillips
CONSOL Energy, Inc.
Consolidated Communications Holdings, Inc.
Constellation Brands, Inc.
Corcept Therapeutics Incorporated
CorMedix, Inc.
Corning, Inc.
Corteva, Inc.
Cosan S.A.
Costco Wholesale Corporation
Coty, Inc.
Cowen, Inc.
Cracker Barrel Old Country Store, Inc.
Crane Co.
Cray Inc.
Credicorp Ltd.
Credito Real S.A. de C.V.
Crescent Point Energy Corp.
Crown Holdings, Inc.
CSX Corporation
Cubic Corporation
Cummins Inc.
CVS Health Corporation
CymaBay Therapeutics, Inc.
Cypress Semiconductor Corporation
CyrusOne, Inc.
Cytokinetics Incorporated
CytomX Therapeutics, Inc.
CytRx Corporation
D.R. Horton, Inc.
Danaher Corporation
Darling Ingredients Inc.
Dave & Buster's Entertainment, Inc.
DaVita Inc.
Deere & Company
Dell Technologies Inc
Delta Air Lines, Inc.
Delta Apparel, Inc.
Designer Brands Inc.
Destination XL Group, Inc.
Devon Energy Corporation
DHI Group, Inc.
Diamondback Energy, Inc.
Diebold Nixdorf Incorporated
Diodes Incorporated
Discover Financial Services
Discovery, Inc.
Diversified Gas & Oil PLC
Document Security Systems, Inc.
Dolby Laboratories, Inc.
Dollar General Corporation
Dollar Tree, Inc.
Dominion Energy Inc
Dommo Energia S.A.
Donnelley Financial Solutions, Inc.
Dorman Products, Inc.
Dover Corporation
Dow, Inc.
DTE Energy Company
Duke Energy Corporation
DuPont De Nemours, Inc.
Dynavax Technologies Corporation
Eagle Bancorp, Inc.
Eagle Pharmaceuticals, Inc.
Easterly Government Properties, Inc.
eBay Inc.
Ecolab Inc.
Ecopetrol SA
EcoRodovias Infraestrutura e Logistica S.A.
Edison International
Editas Medicine, Inc.
Edwards Lifesciences Corporation
eHealth, Inc.
Eidos Therapeutics Inc
Elanco Animal Health, Inc.
Electronic Arts Inc.
Electronics For Imaging, Inc.
Element Solutions, Inc.
Eli Lilly and Company
Embraer S.A.
Emerson Electric Co.
Empire State Realty Trust, Inc.
Enbridge Inc.
Enel Americas S.A.
Energizer Holdings Inc
Energous Corp.
Enerpac Tool Group Corp
Enova International Inc
Enphase Energy, Inc.
EnPro Industries, Inc.
Entegra Financial Corp.
Entergy Corporation
Enterprise Products Partners L.P.
Enzo Biochem, Inc.
EOG Resources, Inc.
ePlus, Inc..
EQT Corporation
Equatorial Energia S.A.
Equifax Inc.
Equitable Holdings, Inc.
Equity Commonwealth
ESCO Technologies Inc.
Evercore Inc
Everest Re Group, Ltd.
Evergy, Inc.
Eversource Energy
EVERTEC, Inc.
Exelixis Inc.
Exelon Corporation
Expedia Group, Inc.
Expeditors International of Washington, Inc.
Exxon Mobil Corporation
F.N.B Corporation
Facebook, Inc.
FARO Technologies, Inc.
Fastenal Company
FBL Financial Group, Inc..
Federal Agricultural Mortgage Corporation
FedEx Corporation
FedNat Holding Company
Fidelity National Financial, Inc.
Financial Institutions, Inc.
First Hawaiian, Inc.
First Industrial Realty Trust, Inc.
First Midwest Bancorp, Inc.
First Northwest Bancorp
First United Corporation
FirstEnergy Corp.
Five9, Inc.
Flexion Therapeutics, Inc.
Flowers Foods, Inc.
Flowserve Corporation
Fluor Corporation
FMC Corporation
Fomento Economico Mexicano SAB de CV
Ford Motor Company
FormFactor, Inc.
Fortinet, Inc.
Fortive Corp.
Fox Corporation
Franco-Nevada Corporation
Franklin Financial Network, Inc.
Freeport-McMoRan, Inc.
Freshpet Inc
Frontdoor, Inc.
Frontera Energy Corporation
Gafisa SA
GameStop Corp.
Gannett Co., Inc.
Gap, Inc.
GCP Applied Technologies, Inc.
General Dynamics Corporation
General Electric Company
General Mills, Inc.
General Motors Company
Genuine Parts Company
Genworth Financial, Inc.
GEO Group Inc
Geospace Technologies Corporation
Geron Corporation

Americas cont.

G-III Apparel Group, Ltd.
Gilead Sciences, Inc.
Glaukos Corp
Global Blood Therapeutics Inc
GNC Holdings, Inc.
Gogo Inc.
Goldman Sachs Group, Inc.
Goodyear Tire & Rubber Company
Graham Corporation
Grana y Montero SAA
Great Lakes Dredge & Dock Corporation
Greenbrier Companies, Inc.
Greif
Grendene S.A.
Grid Dynamics Holdings, Inc.
Griffon Corporation
Groupon, Inc.
Grubhub, Inc.
Gruma SAB de CV
Grupo Aeroportuario del Centro Norte SAB de CV
Grupo Aeroportuario del Pacifico SAB de CV
Grupo De Inversiones Suramericana S.A.
Grupo Elektra SAB de CV
Grupo Financiero Banorte SAB de CV
Grupo GICSA SA de CV
Grupo Gigante SAB de CV
Grupo Herdez SAB de CV
Grupo Hotelero Santa Fe SAB de CV
Grupo LALA SAB de CV
Grupo Mexico S.A.B. de C.V.
Grupo Rotoplas SAB de CV
Grupo Security S.A.
Grupo Sports World SAB de CV
Grupo Televisa, S.A.B.
Gulf Keystone Petroleum Limited
Gulfport Energy Corporation
H.B. Fuller Company
Haemonetics Corporation
Halliburton Company
Harley-Davidson, Inc.
Hartford Financial Services Group, Inc.
Hasbro, Inc.
Hawaiian Electric Industries, Inc.
Hawaiian Holdings, Inc.
Healthpeak Properties, Inc.
Heat Biologics, Inc.
Hecla Mining Company
HEICO Corporation
Helbor Empreendimentos S.A.
Herbalife Nutrition Ltd.
Heritage Financial Corporation
Heritage Insurance Holdings, Inc.
Heritage-Crystal Clean, Inc.
Hershey Company
Hess Corporation
Hewlett Packard Enterprise Co.
Hexcel Corporation
HEXO Corp.
HighPoint Resources Corp.
Hilton Worldwide Holdings Inc
Hiscox Ltd
Histogen Inc.
Hologic, Inc.
Home Depot, Inc.
HomeStreet, Inc.
Honeywell International, Inc.
Howmet Aerospace, Inc.
HP, Inc.
Hub Group, Inc.
Hubbell Incorporated
Hudson's Bay Company
Huntington Bancshares Incorporated
Huntington Ingalls Industries, Inc.
Huntsman Corporation
Hurco Companies, Inc.
Huron Consulting Group Inc.
iA Financial Corporation Inc.
IAC/InterActiveCorp.
Ichor Holdings, Ltd.
IDACORP, Inc.
Iguatemi Empresa de Shopping Centers S.A
Illinois Tool Works, Inc.
Illumina, Inc.
Immersion Corporation
ImmunoGen, Inc.
Immunomedics, Inc.
Incyte Corporation
Industrias Penoles SAB de CV
INmune Bio, Inc.
Innospec, Inc.
Inphi Corporation
Instructure, Inc.
Intel Corporation
Intellia Therapeutics, Inc.
Interactive Brokers Group, Inc.
Intercept Pharmaceuticals, Inc.
Intercontinental Exchange, Inc.
InterDigital, Inc.
Intersect ENT, Inc.
inTEST Corporation
Intevac, Inc.
Intra-Cellular Therapies, Inc.
Intrepid Potash, Inc.
Intuit, Inc.
Intuitive Surgical, Inc.
Invacare Corporation
Invesco Ltd.
Invitation Homes, Inc.
IPG Photonics Corporation
IQVIA Holdings, Inc.
IRB Brasil Resseguros SA
Iridium Communications, Inc.
iStar, Inc.
Itau Unibanco Holding SA
Itausa - Investimentos Itau SA
Iteris, Inc.
Itron, Inc.
ITT, Inc.
IVERIC bio, Inc.
J. C. Penney Company, Inc.
J.B. Hunt Transport Services, Inc.
J2 Global, Inc.
James River Group Holdings Ltd
Japan Gold Corp
JBS S.A.
Jefferies Financial Group, Inc.
JetBlue Airways Corporation
JHSF Participacoes S.A.
John Bean Technologies Corporation
Johnson & Johnson
JPMorgan Chase & Co.
Juniper Networks, Inc.
K12, Inc.
Kaiser Aluminum Corporation
Kaman Corporation
Kansas City Southern
Kellogg Company
KeyCorp
Kilroy Realty Corporation
Kimball International, Inc.
Kimco Realty Corporation
Kinder Morgan, Inc.
Kingstone Companies, Inc.
Kinsale Capital Group, Inc.
Kirkland Lake Gold Ltd.
Klabin SA
Knowles Corp.
Kohl's Corporation
Kosmos Energy Ltd.
Kraft Heinz Company
Kraton Corporation
Kroger Co.
La Comer SAB de CV
La Jolla Pharmaceutical Company
Lam Research Corporation
Lamb Weston Holdings, Inc.
Lannett Company, Inc.
Lantheus Holdings, Inc.
Laredo Petroleum, Inc.
Lattice Semiconductor Corporation

Americas cont.

Laurentian Bank of Canada
Lawson Products, Inc.
Lazard Ltd
LaZBoy Incorporated
LCI Industries
Legg Mason, Inc.
LendingClub Corp
Level One Bancorp, Inc.
Liberty Oilfield Services, Inc.
Lincoln National Corporation
Linx SA
Lions Gate Entertainment Corp
Liquidity Services, Inc.
LKQ Corporation
Loblaw Companies Limited
Localiza Rent A Car S.A.
Lockheed Martin Corporation
Loews Corporation
Lojas Renner S.A.
Loma Negra Compania Industrial Argentina SA
Lowe's Companies, Inc.
Lululemon Athletica, Inc.
Lumentum Holdings, Inc.
Luminex Corp
M. Dias Branco SA Industria e Comercio de Alimentos
M.D.C. Holdings, Inc.
Macerich Company
Mack-Cali Realty Corporation
Macquarie Infrastructure Corporation
MacroGenics, Inc.
Madison Square Garden Sports Corp.
MAG Silver Corp.
Magazine Luiza S.A.
Magenta Therapeutics, Inc.
Manitowoc Company, Inc.
Manulife Financial Corporation
Marathon Petroleum Corporation
Marfrig Global Foods SA
Marisa Lojas S.A.
Markel Corporation
MarketAxess Holdings Inc.
Marlin Business Services Corp.
Marriott International, Inc.
Marsh & McLennan Companies, Inc.
Masco Corporation
Masimo Corporation
Mastercraft Boat Holdings, Inc.
Match Group, Inc.
Matinas BioPharma Holdings, Inc.
Matson, Inc.
Mattel, Inc.
Matthews International Corporation
MAXIMUS, Inc.
McDonald's Corporation
McKesson Corporation
MDU Resources Group, Inc.
Medical Properties Trust, Inc.
Medifast, Inc.
Medpace Holdings, Inc.
MercadoLibre, Inc.
Merck & Co., Inc.
Merrimack Pharmaceuticals, Inc.
Meta Financial Group, Inc.
Methanex Corporation
Methode Electronics, Inc.
MetLife, Inc.
Mettler-Toledo International, Inc.
MGE Energy, Inc.
MGIC Investment Corporation
MGM Resorts International
Microbot Medical Inc
Microchip Technology Incorporated
MicroVision, Inc.
Middleby Corporation
Midland States Bancorp, Inc.
MIND Technology, Inc.
Minerals Tech, Inc.
Miragen Therapeutics, Inc.
MKS Instruments, Inc.
Mobile Mini, Inc.
Model N, Inc.
Molson Coors Beverage Company
Momenta Pharmaceuticals, Inc.
Mondelez International, Inc.
Monmouth Real Estate Investment Corporation
Monolithic Power Systems, Inc.
Monro, Inc.
Moody's Corporation
Morgan Stanley
Motorcar Parts of America, Inc.
Motorola Solutions, Inc.
Mr. Cooper Group, Inc.
MSCI, Inc.
MSG Networks, Inc.
MVB Financial Corp.
Myriad Genetics, Inc.
Nabors Industries Ltd.
Nasdaq, Inc.
National Bank Holdings Corporation
National Fuel Gas Company
National Instruments Corporation
National Vision Holdings, Inc.
NCR Corporation
Nektar Therapeutics
Neoenergia SA
Neogen Corporation
NeoGenomics, Inc.
Neptune Wellness Solutions, Inc.
Netflix, Inc.
NETGEAR, Inc.
Neurocrine Biosciences, Inc.
Nevro Corp.
New Home Co., Inc.
New Mountain Finance Corporation
New York Community Bancorp, Inc.
New York Times Company
Newell Brands, Inc.
Newmont Corporation
News Corporation
NextEra Energy, Inc.
NextGen Healthcare, Inc.
NI Holdings, Inc.
Nicolet Bankshares, Inc.
NMI Holdings, Inc.
Noble Energy, Inc.
Nordstrom, Inc.
Norfolk Southern Corporation
Northern Dynasty Minerals Ltd.
Northern Trust Corporation
Northrop Grumman Corporation
NorthWestern Corporation
Notre Dame Intermedica Participacoes SA
NOW Inc.
Nuance Communications, Inc.
Nucor Corporation
NVIDIA Corporation
NVR, Inc.
Occidental Petroleum Corporation
Oceaneering International, Inc.
Ocwen Financial Corporation
ODP Corporation
OGE Energy Corp.
O-I Glass, Inc.
Oil States International, Inc.
Olympic Steel, Inc.
Omega Geracao SA
Omnicom Group, Inc.
On Deck Capital, Inc.
OncoSec Medical Incorporated
One Stop Systems, Inc.
ONEOK, Inc.
Opus Bank
Oracle Corporation
Orbia Advance Corp. SAB de CV
Orbital Energy Group, Inc.
O'Reilly Automotive, Inc.
Organizacion Soriana SAB de CV
Organovo Holdings, Inc.
Origin Bancorp, Inc.
Ormat Technologies, Inc.

Americas cont.

Orrstown Financial Services, Inc.
Osisko Gold Royalties Ltd
Otelco, Inc.
Overstock.com, Inc.
Ovintiv, Inc.
Owens Corning
Oxford Square Capital Corp.
PACCAR, Inc.
Pacific Mercantile Bancorp
PacWest Bancorp
PAR Technology Corporation
Pareteum Corporation
Parker-Hannifin Corporation
Parsley Energy, Inc.
Pattern Energy Group, Inc.
PDC Energy, Inc.
PDL BioPharma, Inc.
Peabody Energy Corporation
Penns Woods Bancorp, Inc.
PepsiCo, Inc.
Perdoceo Education Corporation
Perma-Fix Environmental Services, Inc.
PetMed Express, Inc.
Petro Rio SA
Petroleo Brasileiro SA
Pfizer Inc.
PG&E Corporation
Phillips 66
Phio Pharmaceuticals Corp.
Photronics, Inc.
Pieris Pharmaceuticals, Inc.
Pilgrim's Pride Corporation
Pinnacle West Capital Corporation
Pioneer Natural Resources Company
Piper Sandler Companies
Pitney Bowes, Inc.
PJT Partners, Inc.
PlayAGS, Inc.
Plug Power, Inc.
PNM Resources, Inc.
Popular, Inc.
Portland General Electric Company
Post Holdings, Inc.
Potbelly Corp.
Power Financial Corporation
Power Integrations, Inc.
PPG Industries, Inc.
PPL Corporation
Prestige Consumer Healthcare, Inc.
Primerica, Inc.
Primoris Services Corporation
Principal Financial Group, Inc.
Procter & Gamble Company
Progenics Pharmaceuticals, Inc.
Prologis Property Mexico, S.A. de C.V.
Prologis, Inc.
Promigas SA ESP
Promotora Y Operadora De Infraestructura SA
Proofpoint, Inc.
PROS Holdings, Inc.
Prudential Financial, Inc.
PTC Inc.
Public Service Enterprise Group Inc.
Pulte Group, Inc.
QEP Resources, Inc.
Qorvo, Inc.
QUALCOMM Incorporated
Qualicorp Consultoria e Corretora de Seguros S.A.
Quanta Services, Inc..
Quanterix Corporation
Quotient Technology Incorporated
R.R. Donnelley & Sons Company
Raia Drogasil S.A.
Ralph Lauren Corporation
Rambus Inc.
Range Resources Corporation
Rapid7 Inc
Rayonier Advanced Materials, Inc.
Raytheon Company
Raytheon Technologies Corporation
Reata Pharmaceuticals, Inc.
Redwood Trust, Inc.
Regeneron Pharmaceuticals, Inc.
Regional Management Corp.
Regis Corporation
Reinsurance Group of America, Inc.
RenaissanceRe Holdings Ltd.
Repligen Corporation
Republic Services, Inc.
Resideo Technologies, Inc.
ResMed, Inc.
Restaurant Brands International, Inc.
Retrophin, Inc.
Revance Therapeutics, Inc.
RH
Rhythm Pharmaceuticals, Inc.
Richardson Electronics Ltd.
RigNet, Inc.
RioCan Real Estate Investment Trust
Rite Aid Corporation
RLI Corp.
RLJ Lodging Trust
Rockwell Automation, Inc.
Rogers Corporation
Rumo SA
Ruth's Hospitality Group, Inc.
Ryman Hospitality Properties, Inc.
S&P Global, Inc.
SAGE Therapeutics, Inc.
Sanderson Farms, Inc.
Sanmina Corporation
Santander Consumer USA Holdings, Inc.
Saputo, Inc.
Sarepta Therapeutics, Inc.
SBA Communications Corp.
ScanSource, Inc.
Schlumberger NV
Schnitzer Steel Industries, Inc.
Sculptor Capital Management, Inc.
Seattle Genetics, Inc.
SeaWorld Entertainment, Inc.
Sempra Energy
Service Corporation International
Shake Shack, Inc.
Shutterfly, Inc.
SI-BONE, Inc.
Signature Bank
Signet Jewelers Limited
Simply Good Foods Co.
Simpson Manufacturing Co., Inc.
Six Flags Entertainment Corporation
SJW Group
Skechers U.S.A., Inc.
Skyline Champion Corp.
Smiles Fidelidade SA
Smith & Wesson Brands, Inc.
Sonic Automotive, Inc.
Sonoco Products Company
Sorrento Therapeutics, Inc.
Southern Company
Southwest Airlines Co.
Southwestern Energy Company
Spectrum Brands Holdings, Inc.
Spok Holdings, Inc.
Sprouts Farmers Markets, Inc.
Standex International Corporation
Stanley Black & Decker, Inc.
Starbucks Corporation
Starwood Property Trust, Inc.
State Street Corporation
Steel Dynamics, Inc.
Stericycle, Inc.
Stewart Information Services Corporation
Stoneridge, Inc.
STRATTEC SECURITY CORPORATION
Strongbridge Biopharma plc
Summit State Bank
Sunrun, Inc.
Sunstone Hotel Investors, Inc.
SunTrust Banks, Inc.

Americas cont.

Super Micro Computer, Inc.
Superior Industries International, Inc.
Suzano S.A.
Synalloy Corporation
Synaptics Incorporated
SYNNEX Corporation
Synovus Financial Corp.
Synthetic Biologics, Inc.
Sysco Corporation
Tailored Brands, Inc.
Take-Two Interactive Software, Inc.
Targa Resources Corp.
Taubman Centers, Inc.
TC Energy Corporation
TCF Financial Corporation
Tech Data Corporation
TEGNA, Inc.
Telephone And Data Systems, Inc.
Tempur Sealy International, Inc.
Tenet Healthcare Corporation
Tenneco, Inc.
Tesla, Inc.
Tetra Tech, Inc.
TETRA Technologies, Inc.
Texas Capital Bancshares, Inc.
Texas Instruments Incorporated
Textron, Inc.
Thermo Fisher Scientific, Inc.
Thermon Group Holdings, Inc.
Third Point Reinsurance Ltd.
Thomson Reuters Corporation
Tidewater, Inc.
TIM Participacoes S.A.
Timken Company
Titan Pharmaceuticals, Inc.
TJX Companies, Inc.
Toll Brothers, Inc.
Toronto-Dominion Bank
TOTVS S.A.
TPG RE Finance Trust, Inc.
TransDigm Group Incorporated
Travelers Companies, Inc.
Tredegar Corporation
Treehouse Foods, Inc.
Triumph Bancorp, Inc.
Tronox Holdings Plc
TrustCo Bank Corp NY
Twist Bioscience Corp.
Twitter, Inc.
Tyler Technologies, Inc.
Tyme Technologies, Inc.
Tyson Foods, Inc.
U.S. Bancorp
U.S. Physical Therapy, Inc.
Uber Technologies, Inc.
Ultrapar Participacoes S.A.
Umpqua Holdings Corporation
Unifin Financiera SAB de CV
UniFirst Corporation
Union Pacific Corporation
Unisys Corporation
United Continental Holdings, Inc.
United Natural Foods, Inc.
United Parcel Service, Inc.
United Rentals, Inc.
United States Steel Corporation
United Therapeutics Corporation
UnitedHealth Group Incorporated
Univar Solutions, Inc.
Universal Display Corporation
Universal Health Realty Income Trust
Universal Insurance Holdings, Inc.
Unum Group
Uranium Energy Corp.
V.F. Corporation
VAALCO Energy, Inc.
Vale S.A.
Valero Energy Corporation
Valley National Bancorp
Valmont Industries, Inc.
Vanda Pharmaceuticals Inc.
Varonis Systems, Inc.
Vector Group Ltd.
Veeco Instruments, Inc.
Vera Bradley, Inc.
Vericel Corporation
Verint Systems Inc.
Veritiv Corp.
Verizon Communications, Inc.
Verso Corp.
Vertex Pharmaceuticals Incorporated
Via Varejo S.A.
ViacomCBS Inc.
ViaSat, Inc.
Viavi Solutions, Inc.
VICI Properties, Inc.
Vina Concha Y Toro S.A.
Virgin Galactic Holdings, Inc.
Virtus Investment Partners, Inc.
Virtusa Corporation
Visa, Inc.
Vista Outdoor, Inc.
Vistra Corp.
Vivara Participacoes SA
Vocera Communications, Inc.
Vonage Holdings Corp.
Vulcan Materials Company
W. R. Berkley Corporation
W.W. Grainger, Inc.
Wabash National Corporation
Walgreens Boots Alliance, Inc.
Walker & Dunlop, Inc.
Wal-Mart de Mexico SAB de CV
Walmart Inc.
Walt Disney Company
Warrior Met Coal, Inc.
Waste Management, Inc.
WEC Energy Group, Inc.
Wells Fargo & Company
West Bancorporation, Inc.
Westell Technologies, Inc.
Western Digital Corporation
WestRock Company
White Mountains Insurance Group Ltd
Whitestone REIT
Williams Companies, Inc.
Williams-Sonoma, Inc.
Wingstop, Inc.
Winnebago Industries, Inc.
Workhorse Group, Inc.
WW International, Inc.
Wyndham Destinations, Inc.
Xcel Energy, Inc.
Xencor, Inc.
Xerox Holdings Corporation
Xperi Holding Corporation
XPO Logistics, Inc.
Yamana Gold, Inc.
Yelp, Inc.
YPF SA
Yum! Brands, Inc.
Zebra Technologies Corporation
Zimmer Biomet Holdings, Inc.
Zoetis, Inc.

Asia-Pacific

77 Bank, Ltd.
Adani Enterprises Limited
Advanex, Inc.
Advantest Corp.
AEON Co., Ltd.
AGL Energy Limited
Agricultural Bank of China Limited
Aichi Bank Ltd.
Ajinomoto Co., Inc.
Alfresa Holdings Corporation
Alps Alpine Co., Ltd.
ALS Ltd.
Aluminum Corporation of China Limited
AMADA Co., Ltd.
Amorepacific Corp.
AMP Limited
Ampol Limited
ANA Holdings, Inc.
ARA Asset Management Limited
Arisawa Mfg.Co., Ltd.
Aristocrat Leisure Limited
Arq Group Ltd
Asahi Group Holdings, Ltd.
Asahi Intecc Co., Ltd.
Asahi Kasei Corporation
Asanuma Corporation
Asics Corporation
ASKUL Corporation
ASM Pacific Technology Limited
Asmedia Technology, Inc.
ASX Limited
Asymchem Laboratories (Tianjin) Co., Ltd.
Atsugi Co, Ltd.
Au Optronics Corp.
Aurizon Holdings Ltd.
Austal Limited
Australia And New Zealand Banking Group Limited
Avex, Inc.
AVIC International Holdings Ltd.
AviChina Industry & Technology Co., Ltd.
Axiata Group Bhd.
Azbil Corporation
Bank Of East Asia Ltd.
Bank Of Queensland Limited
Beach Energy Limited
Beijing Capital International Airport Co., Ltd.
Beijing Enterprises Water Group Limited
Beijing Tong Ren Tang Chinese Medicine Co., Ltd.
Bendigo & Adelaide Bank Ltd.
Bengo4.com, Inc.
Bharti Airtel Limited
BHP Group Ltd.
Bloomberry Resorts Corporation
Bluescope Steel Limited
BOC Aviation Ltd
BOC Hong Kong (Holdings) Limited
Boral Limited
Bravura Solutions Limited
Brickworks Ltd.
BROCCOLI Co., Ltd.
Budweiser Brewing Co. APAC Ltd.
Cafe De Coral Holdings Ltd.
Canon, Inc.
Capcom Co., Ltd.
CapitaLand Limited
CapitaLand Retail China Trust
CAR Inc.
Carsales.Com Limited
Casio Computer Co, Ltd.
Cedar Woods Properties Limited
Celltrion, Inc.
Central Japan Railway Company
Challenger Limited
Chang Hwa Commercial Bank, Ltd.
Chicony Electronics Co. Ltd.
China Agri-Industries Holdings Limited
China Aircraft Leasing Group Holdings Ltd.
China Communications Construction Co., Ltd.
China Construction Bank Corporation
China Eastern Airlines Corporation Limited
China International Capital Corp., Ltd.
China Life Insurance Co., Ltd.
China Mengniu Dairy Co., Ltd.
China Merchants Bank Co., Ltd.
China Merchants Port Holdings Co., Ltd.
China Mobile Limited
China Molybdenum Co., Ltd.
China National Building Material Co., Ltd.
China Oilfield Services Limited
China Overseas Land & Investment Limited
China Pacific Insurance (Group) Co., Ltd.
China Petrochemical Development Corporation
China Petroleum & Chemical Corporation
China Resources Land Limited
China Resources Medical Holdings Co., Ltd.
China Shenhua Energy Co. Ltd.
China Southern Airlines Company Limited
China Steel Corporation
China Unicom (Hong Kong) Limited
China Yangtze Power Co., Ltd.
Chipbond Technology Corporation
Chubu Electric Power Company Incorporated
CITIC Securities Co. Ltd.
City Developments Limited
CK Hutchison Holdings Ltd.
CK Infrastructure Holdings Limited
CLP Holdings Limited
CNOOC Limited
Coca-cola Amatil Limited
Coles Group Ltd.
Collins Foods Limited
Comfortdelgro Corporation Limited
Commonwealth Bank Of Australia
COSCO SHIPPING Holdings Co., Ltd.
COSCO SHIPPING International (Hong Kong) Co., Ltd.
COSCO SHIPPING Ports Limited
Cosmo Energy Holdings Co., Ltd.
Country Garden Services Holdings Co., Ltd.
COWAY Co., Ltd.
Cromwell Property Group
CRRC Corporation Limited
CSL Limited
CSPC Pharmaceutical Group Limited
CSSC Offshore & Marine Engineering (Group) Company Limited
Daelim Industrial Co., Ltd.
Dai Nippon Printing Co., Ltd.
Daicel Corporation
Daifuku Co., Ltd.
Dai-ichi Life Holdings, Inc.
DAIKIN INDUSTRIES, LTD.
Daio Paper Corporation
Daito Trust Construction Co., Ltd.
Daiwa House Industry Co., Ltd.
Daiwa Securities Group Inc.
Datang International Power Generation Co., Ltd.
DBS Group Holdings Ltd.
DeNA Co., Ltd.
Denka Co., Ltd.
Dentsu Group Inc.
DiGi.Com Bhd
DKK Co.,Ltd.
D-Link Corporation
Domino's Pizza Enterprises Limited
Dowa Holdings Co., Ltd.
Dr. Reddy's Laboratories Ltd.
DTS Corporation
Duskin Co., Ltd.
DyDo Group Holdings, Inc.
E.SUN Financial Holding Co., Ltd.
East Jap Railway Company
Ebara Corporation
Eisai Co., Ltd.
ENEOS Holdings, Inc.
ENN Energy Holdings Limited
Eros International PLC
Faith, Inc.
FamilyMart Co., Ltd.
Fanuc Corporation
Far Eastone Telecommunications Co., Ltd.

Asia-Pacific cont.

First Pacific Co., Ltd.
Fortescue Metals Group Ltd.
Foster Electric Company Limited
Fuji Electric Co., Ltd.
FUJIFILM Holdings Corp
Fujikura Ltd.
Fujimi Incorporated
Fujitec Co., Ltd.
Fujitsu Limited
Fukuoka Financial Group, Inc.
Futaba Corp.
Futaba Industrial Co., Ltd.
Fuyo General Lease Co., Ltd.
Geely Automobile Holdings Limited
Gemdale Corporation
GlobalWafers Co., Ltd.
Glodon Company Limited
Golden Agri-Resources Ltd
Goodman Group
GPT Group
Great Wall Motor Co., Ltd.
GREE, Inc.
Guangdong Investment Limited
Guangshen Railway Company Limited
Gunze Limited
H.U. Group Holdings, Inc.
H2O Retailing Corporation
Hachijuni Bank Ltd.
Haitong Securities Co., Ltd.
Hamamatsu Photonics K.K.
Hang Lung Group Limited
Hang Lung Properties Limited
Hangzhou Tigermed Consulting Co., Ltd.
HANJIN KAL Corp.
Hankyu Hanshin Holdings, Inc.
Hanon Systems
Han's Laser Technology Industry Group Co., Ltd.
Harvey Norman Holdings Ltd.
Hazama Ando Corp.
Heiwa Real Estate Co., Ltd.
Hengan International Group Co., Ltd.
Hero Motocorp Limited
Hisamitsu Pharmaceutical Co., Inc.
Hitachi Zosen Corporation
HK Electric Investments & HK Electric Investments Ltd.
HKBN Ltd.
HKT Trust and HKT Ltd
Hodogaya Chemical Co., Ltd.
Hokkaido Electric Power Company Incorporated
Hokkoku Bank, Ltd.
Hokuriku Elec Power Company
Honda Motor Co., Ltd.
Hong Kong Exchanges & Clearing Ltd.
Hoosiers Holdings
HOSHIZAKI Corp.
HOTEL SHILLA CO., LTD.
Huadian Fuxin Energy Corp. Ltd.
Huaku Development Co., Ltd.
Huaneng Renewables Corp. Ltd.
Huifu Payment Limited
HYUNDAI GLOVIS Co., Ltd.
Hyundai Mobis Co., Ltd.
Hyundai Motor Company
Idemitsu Kosan Co., Ltd.
IHI Corporation
Iino Kaiun Kaisha Ltd.
Iluka Resources Limited
Inabata & Co., Ltd.
Indiabulls Housing Finance Ltd.
Industrial And Commercial Bank Of China Limited
Industrial Bank Co., Ltd.
Inner Mongolia Yili Industrial Group Co., Ltd.
Innolux Corp.
Innovent Biologics, Inc.
INPEX CORPORATION
Insurance Australia Group Limited
InterGlobe Aviation Ltd.
International Container Terminal Services, Inc.
Inui Global Logistics, Co., Ltd.
Inventec Corporation
Ioof Holdings Ltd.
Isetan Mitsukoshi Holdings Ltd.
ISHIHARA SANGYO KAISHA, LTD.
Itochu Corporation
J. FRONT RETAILING Co., Ltd.
JAPAN POST HOLDINGS Co., Ltd.
JAPAN POST INSURANCE Co., Ltd.
Japan Tobacco Inc.
JCU CORPORATION
JFE Holdings, Inc.
JGC Holdings Corporation
Jiangsu Expressway Co., Ltd.
Jiangsu Hengli Hydraulic Co., Ltd.
Jiangsu Kanion Pharmaceutical Co., Ltd.
Jiangxi Copper Company Limited
Jindal Steel & Power Ltd.
Juroku Bank, Ltd.
JVCKENWOOD Corporation
Kagome Co., Ltd.
Kajima Corporation
Kaneka Corporation
Kansai Electric Power Company Limited
Kansai Paint Co., Ltd.
Kao Corp.
KB Financial Group Inc.
KDDI Corporation
Keihan Holdings Co., Ltd.
Keihanshin Building Co., Ltd.
Keikyu Corporation
Kerry Properties Limited
Kewpie Corporation
KIA Motors Corporation
King Jim Co., Ltd.
Kingdee International Software Group Co., Ltd.
Kirin Holdings Company Limited
Koa Corporation
Kobe Steel Ltd.
Kohnan Shoji Co., Ltd.
Komatsu Ltd.
Komori Corporation
Konica Minolta, Inc.
Korea Electric Power Corporation
Korea Zinc Co., Ltd.
KT & G Corporation
KT Corporation
Kuala Lumpur Kepong Bhd.
Kubota Corporation
Kuraray Co., Ltd.
Kyocera Corporation
Kyokuto Boeki Kaisha, Ltd.
Kyushu Electric Power Company Incorporated
Kyushu Railway Company
Lacto Japan Co., Ltd.
Larsen & Toubro Ltd.
Lasertec Corp.
Lendlease Group
Leopalace21 Corporation
LG Chem Ltd.
LG Display Co., Ltd
Li & Fung Limited
Link Real Estate Investment Trust
LIXIL Group Corp.
LT Group, Inc.
Luye Pharma Group Ltd.
Macquarie Group Limited
Maeda Corporation
Maeda Road Construction Co., Ltd.
Mahindra & Mahindra Ltd.
Mandom Corporation
Marubeni Corporation
Maruha Nichiro Corp.
Marui Group Co., Ltd.
Maxell Holdings Ltd.
Mebuki Financial Group, Inc.
Meiji Holdings Co., Ltd.
Mirvac Group
Mitsubishi Chemical Holdings Corporation
Mitsubishi Corporation
Mitsubishi Elec Corp.
Mitsubishi Estate Company Limited

Asia-Pacific cont.

Mitsubishi Heavy Industries Ltd.
Mitsubishi Logistics Corporation
Mitsubishi Materials Corp.
Mitsubishi UFJ Financial Group, Inc.
Mitsui & Co., Ltd.
Mitsui E&S Holdings Co., Ltd.
Mitsui Fudosan Co., Ltd.
Mitsui Mining And Smelting Company Limited
Mitsui O.S.K.Lines Ltd.
Mizuho Financial Group, Inc.
Monex Group, Inc.
MS&AD Insurance Group Holdings, Inc.
MTR Corporation Limited
Nanto Bank Ltd.
Nanya Technology Corporation
National Australia Bank Limited
NAVER Corp.
NCsoft Corporation
Nearmap Ltd.
NEC Corp.
NEC Networks & System Integration Corporation
Net One Systems Co., Ltd.
Neturen Co., Ltd.
New World Development Co., Ltd.
Newcrest Mining Limited
NEXON Co., Ltd.
Nien Made Enterprise Co., Ltd.
Nihon M&A Center Inc.
Nihon Unisys Ltd.
NIKKON Holdings Co., Ltd.
Nine Entertainment Co. Holdings Limited
Nintendo Co., Ltd.
Nippon Chemi-Con Corporation
Nippon Electric Glass Co., Ltd.
NIPPON EXPRESS CO., LTD.
NIPPON PAINT HOLDINGS CO.LTD.
Nippon Paper Industries Co., Ltd.
Nippon Pillar Packing Co., Ltd.
Nippon Piston Ring Co., Ltd.
Nippon Sheet Glass Company Limited
Nippon Shokubai Co., Ltd.
Nippon Soda Co., Ltd.
NIPPON STEEL CORP.
Nippon Telegraph and Telephone Corporation
Nippon Television Holdings, Inc.
Nippon Yusen Kabushiki Kaisha
Nishimatsu Construction Co., Ltd.
Nissan Motor Co., Ltd.
Nissha Co. Ltd.
Nisshin Seifun Group Inc.
Nissin Foods Holdings Co., Ltd.
Nitori Holdings Co., Ltd.
Nitto Denko Corp.
Nomura Holdings, Inc.
Northern Star Resources Ltd.
NSD Co., Ltd.
NSK Ltd.
NTT DATA Corporation
Obayashi Corporation
OceanaGold Corporation
OFILM Group Co., Ltd.
Oil Search Limited
Oji Holdings Corp.
OKI Electric Industry Company Limited
On-Bright Electronics Co., Ltd.
Onward Holdings Co., Ltd.
Orica Limited
Origin Energy Limited
ORIX Corporation
Oversea-Chinese Banking Corporation Limited
OZ Minerals Limited
Pack Corporation
Panasonic Corporation
Perpetual Limited
PetroChina Company Limited
PICC Property & Casualty Co., Ltd.
Pigeon Corporation
Pinduoduo, Inc.
Ping An Insurance (Group) Company of China, Ltd.
PixArt Imaging, Inc.
POSCO
POSCO INTERNATIONAL Corporation
Powertech Technology, Inc.
Premium Group Co., Ltd.
PT Indofood CBP Sukses Makmur Tbk
PT United Tractors Tbk
Qantas Airways Limited
QBE Insurance Group Limited
Qol Holdings Co., Ltd.
Ramsay Health Care Limited
Recruit Holdings Co., Ltd.
Reliance Industries Limited
Resolute Mining Limited
Ricoh Company, Ltd.
Rio Tinto Limited
Ryosan Company Limited
Ryoyo Electro Corp.
S-1 Corp.
Sakura Sogo REIT Investment Corp.
SAMSUNG BIOLOGICS Co., Ltd.
SAMSUNG C&T CORP
Samsung Electronics Co., Ltd.
Samsung Fire & Marine Insurance Co., Ltd.
Sanan Optoelectronics Co., Ltd.
Sankyo Co., Ltd.
Sanrio Company Ltd.
Sanshin Electronics Co., Ltd.
Santen Pharmaceutical Co., Ltd.
Santos Limited
Sanyo Shokai Ltd.
Sapporo Holdings Limited
SCREEN Holdings Co., Ltd
Seek Limited
Sega Sammy Holdings, Inc.
Seibu Holdings, Inc.
Seikitokyu Kogyo Co., Ltd.
Seiko Epson Corp.
Sekisui Chemical Co., Ltd.
Sekisui House Ltd.
Sembcorp Industries Ltd.
Senshu Ikeda Holdings, Inc.
Sercomm Corp.
Seven & I Holdings Co., Ltd.
Shandong Weigao Group Medical Polymer Co., Ltd.
Shanghai Baosight Software Co., Ltd.
Shanghai Electric Group Company Limited
Shanghai Haixin Group Co., Ltd.
Shenzhen Expressway Co., Ltd.
Shibaura Machine Co., Ltd.
Shikoku Electric Power Company Incorporated
Shimadzu Corporation
Shimizu Corporation
Shin Kong Financial Holding Co., Ltd.
Shin Zu Shing Co., Ltd.
Shinhan Financial Group Co., Ltd.
Shinsei Bank Limited
Shiseido Company Limited
Showa Denko K.K.
Siam Commercial Bank Public Company Limited
Sihuan Pharmaceutical Holdings Group Ltd.
Sime Darby Bhd.
Simplo Technology Co., Ltd.
Singapore Airlines Ltd.
Singapore Telecommunications Limited
Sino Land Co., Ltd.
SinoPac Financial Holdings Co., Ltd.
Sinopec Shanghai Petrochemical Co., Ltd.
SK Holdings Co., Ltd.
SK hynix, Inc.
SK Innovation Co., Ltd.
SKYCITY Entertainment Group Limited
SM Investments Corporation
SoftBank Group Corp.
Sojitz Corp.
SolGold Plc
Sompo Holdings, Inc.
Sony Corporation
South32 Ltd.
Spark New Zealand Limited
Square Enix Holdings Co., Ltd.

Asia-Pacific cont.

Star Asia Investment Corp.
Star Entertainment Group Limited
Stockland
Sumitomo Corporation
Sumitomo Electric Industries, Ltd.
Sumitomo Metal Mining Co., Ltd.
Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Trust Holdings, Inc.
Sumitomo Realty & Development Co., Ltd.
Sumitomo Riko Company Limited
Sumitomo Rubber Industries, Ltd.
Suncorp Group Limited
SuRaLa Net Co., Ltd.
Suzuki Motor Corp
SWCC Showa Holdings Co., Ltd.
Swire Pacific Limited
T&D Holdings, Inc.
Tabcorp Holdings Limited
TADANO Ltd.
TAISEI CORP
Taishin Financial Holdings Co., Ltd.
Taiwan Cement Corp.
Taiwan Cooperative Financial Holding Co., Ltd.
Taiwan Mobile Co., Ltd.
Taiyo Holdings Co., Ltd.
Takamiya Co., Ltd.
Takeda Pharmaceutical Co., Ltd.
Tamron Co., Ltd.
Tata Steel Limited
Tatung Co.
TCL Electronics Holdings Limited
TDK Corporation
Tech Mahindra Limited
Teco Electric & Machinery Co., Ltd.
Teijin Limited
Teikoku Sen-I Co., Ltd.
Telstra Corporation Limited
Tenaga Nasional Bhd
Tencent Holdings Ltd.
TENMA CORPORATION
THK Co., Ltd.
Titan Company Limited
TMB Bank Public Company Limited
Tohoku Electric Power Company Incorporated
Tokyo Broadcasting System Holdings, Inc.
Tokyo Dome Corporation
Tokyo Electric Power Company Holdings Incorporated
Tokyo Electron Ltd.
TOKYO GAS Co., Ltd.
TOKYU CORPORATION
Tong Ren Tang Technologies Co., Ltd.
Toppan Printing Co., Ltd.
Toray Industries, Inc.
Toshiba Corporation
TOTO Ltd.
Towngas China Co., Ltd.
Toyo Suisan Kaisha, Ltd.
Toyo Tanso Co., Ltd.
Toyo Tire Corporation
Toyota Motor Corp.
Transurban Group Ltd.
Treasury Wine Estates Limited
Trend Micro Incorporated
TV Asahi Holdings Corporation
UBE Industries, Ltd.
Uchida Yoko Co., Ltd.
United Microelectronics Corp.
UNIZO Holdings Company Limited
UPL Limited
Ushio Inc.
Vedanta Limited
Vitasoy International Holdings Limited
Webcentral Group Limited
Weimob, Inc.
Wesfarmers Limited
Westpac Banking Corporation
Wharf Real Estate Investment Co. Ltd.
Wheelock & Co., Ltd.
Wilmar International Limited
Win Semiconductors Corp.
Winbond Electronics Corp.
Woodside Petroleum Ltd.
Woolworths Group Ltd.
Worley Limited
WT Microelectronics Co., Ltd.
WuXi AppTec Co., Ltd.
Wuxi Lead Intelligent Equipment Co., Ltd.
Xiaomi Corp.
XP Power Ltd.
Yamaha Corporation
Yamaha Motor Co., Ltd.
Yamato Holdings Co., Ltd.
Yangzijiang Shipbuilding (Holdings) Ltd.
Yanzhou Coal Mining Co., Ltd.
Yes Bank Limited
Yokogawa Electric Corp.
Yokohama Rubber Co., Ltd.
Yuexiu Property Co., Ltd.
Yuexiu Transport Infrastructure Limited
Yum China Holdings, Inc.
Z Holdings Corporation
Zhaojin Mining Industry Co., Ltd.
Zhejiang Expressway Co., Ltd.
Zojirushi Corporation
Zoomlion Heavy Industry Science & Technology Co., Ltd.
ZTE Corporation

Europe, The Middle East and Africa

888 Holdings Plc
AA Plc
Aareal Bank AG
ABB Ltd.
Absa Group Limited
Accenture Plc
Actividades de Construccion y Servicios SA
Adecco Group AG
adidas AG
Admiral Group plc
Advanced Medical Solutions Group plc
Aegon NV
ageas SA/NV
Air Liquide SA
Airbus SE
Airtel Africa Plc
Akzo Nobel N.V.
Alkermes Plc
Allianz SE
Alpha Bank AE
Alstom SA
alstria office REIT-AG
Amadeus IT Group SA
Amcor PLC
Anglo American plc
AngloGold Ashanti Limited
Anheuser-Busch InBev SA/NV
AO World Plc
Arkema SA
Aroundtown Sa
Ascential Plc
Ashtead Group plc
ASM International N.V.
ASML Holding NV
Assicurazioni Generali S.p.A.
Associated British Foods plc
AstraZeneca PLC
AT & S Austria Technologie & Systemtechnik Aktiengesellschaft
Atos SE
Auto Trader Group PLC
Avast Plc
Aviva plc
AXA SA
Axovant Gene Therapies Ltd.
Azimut Holding Spa
Babcock International Group PLC
BAE Systems plc
Balfour Beatty plc
Banco Bilbao Vizcaya Argentaria, S.A.
Banco BPM SpA
Banco De Sabadell SA
Banco Santander SA
Bank Leumi Le-Israel Ltd.
BANK POLSKA KASA OPIEKI SA
Barclays PLC
Barloworld Limited
BASF SE
Bayer AG
Bayerische Motoren Werke AG
BE Semiconductor Industries N.V.
Beiersdorf AG
Berkeley Group Holdings plc
BHP Group Plc
Big Yellow Group PLC
Bloomsbury Publishing Plc
BNP Paribas SA
Bodycote plc
Boohoo group Plc
BP plc
British American Tobacco plc
Britvic plc
BT Group plc
Bunzl plc
Burberry Group plc
Bureau Veritas SA
Burford Capital Limited
Buzzi Unicem S.p.A.
Cairn Energy PLC
Capgemini SE
Capri Holdings Limited
Card Factory Plc
Cardtronics plc
Carnival plc
Carrefour SA
Castleton Technology Plc
Cellnex Telecom S.A.
Centamin plc
Central Asia Metals Plc
Centrica plc
CEZ as
Chubb Limited
City of London Investment Group PLC
Coca-Cola European Partners Plc
Commerzbank AG
Compagnie Financiere Richemont SA
Compass Group PLC
Consort Medical Plc
Continental AG
Countryside Properties Plc
Covestro AG
Credit Suisse Group AG
Crest Nicholson Holdings Plc
CRH Plc
Croda International Plc
Daimler AG
Danone SA
Danske Bank A/S
Dassault Systemes SA
Delivery Hero SE
Deutsche Bank AG
Deutsche Boerse AG
Deutsche Lufthansa AG
Deutsche Wohnen SE
Diageo plc
Dialight plc
Diploma PLC
Direct Line Insurance Group Plc
discoverIE Group PLC
Dixons Carphone PLC
dormakaba Holding AG
Draper Esprit Plc
Drax Group plc
DS Smith PLC TEMP
Dufry AG
E.ON SE
easyJet plc
EDP-Energias de Portugal SA
Eiffage SA
Elementis plc
Endo International Plc
Enel SpA
ENGIE SA
Eni SpA
EnQuest PLC
Equinor ASA
EssilorLuxottica SA
Eurazeo SA
Europcar Mobility Group SA
Evraz PLC
Experian PLC
Ferguson Plc
Ferrexpo plc
Flutter Entertainment Plc
Forterra Plc
Fortum Oyj
Foschini Group Limited
freenet AG
Fresenius Medical Care AG & Co. KGaA
Fuller, Smith & Turner P.L.C.
Future plc
GALP Energia SGPS SA
GAM Holding AG
Games Workshop Group PLC
Garmin Ltd.
GB Group PLC
Gear4music (Holdings) PLC
Genmab A/S
Givaudan SA
Glanbia Plc

Europe, The Middle East and Africa cont.

GlaxoSmithKline Plc
Glencore plc
Go-Ahead Group plc
GoCo Group Plc
Gold Fields Limited
Grainger plc
Greencore Group Plc
Greggs plc
GVC Holdings PLC
H & M Hennes & Mauritz AB
Halma plc
Hansteen Holdings PLC
Hargreaves Lansdown plc
HeidelbergCement AG
Heineken NV
Henkel AG & Co. KGaA Pref
Hera S.p.A.
HomeServe plc
HSBC Holdings Plc
Hunting PLC
Iberdrola SA
IG Group Holdings plc
Imperial Brands PLC
Infineon Technologies AG
Informa Plc
ING Groep NV
Ingenico Group SA
Inmarsat plc
InterContinental Hotels Group PLC
Intermediate Capital Group plc
Intertek Group plc
ITV PLC
J D Wetherspoon plc
Jazz Pharmaceuticals Plc
John Wood Group PLC
Johnson Controls International plc
Johnson Matthey Plc
Julius Baer Gruppe AG
Kering SA
KGHM Polska Miedz S.A.
Kier Group plc
Kingfisher Plc
Kingspan Group Plc
Koninklijke Philips NV
LafargeHolcim Ltd.
Lagardere SCA
Land Securities Group PLC
Learning Technologies Group Plc
LEG Immobilien AG
Leonardo SpA
Linde AG
Liontrust Asset Management PLC
Lloyds Banking Group plc
LM Ericsson Telefon
London Stock Exchange Group plc
Lonza Group AG
L'Oreal SA
Lundin Energy AB
Mallinckrodt Plc
Marks And Spencer Group plc
MasMovil Ibercom, S.A.
Mattioli Woods plc
Mears Group PLC
Mediobanca SpA
Meggitt PLC
Melrose Industries PLC
Merck kGaA
MMC Norilsk Nickel
MOL Hungarian Oil & Gas Plc
Moncler SpA
Mondi Limited
Mondi plc
Munich Reinsurance Company
Mylan NV
MYTILINEOS S.A.
National Bank Of Greece S.A.
National Grid plc
Naturgy Energy Group S.A.
NatWest Group Plc
Neles Oyj
Nestle S.A.
Next Fifteen Communications plc
Next plc
NICE Ltd.
NKT A/S
NMC Health PLC
NN Group NV
Noble Corporation plc
Novartis AG
Novo Nordisk A/S
nVent Electric plc
Ocado Group PLC
Old Mutual Ltd.
OMV AG
OneSavings Plc
Orange SA
Origin Enterprises Plc
Orion Engineered Carbons SA
Oxford Instruments plc
Paragon Banking Group PLC
Partners Group Holding AG
Pearson PLC
Pennon Group Plc
Pernod Ricard SA
Persimmon Plc
Petrofac Limited
Peugeot SA
PGE Polska Grupa Energetyczna S.A.
Phoenix Group Holdings plc
Playtech plc
Polymetal International Plc
Poste Italiane SpA
Premier Foods Plc
Premier Oil Plc
Prothena Corp. Plc
Prudential plc
PUMA SE
QIAGEN NV
QinetiQ Group plc
Reckitt Benckiser Group plc
Redrow plc
RELX PLC
Renault SA
Repsol SA
Rheinmetall AG
Rightmove plc
Rio Tinto plc
Rit Capital Partners PLC
Rolls-Royce Holdings plc
Rotork plc
Royal Ahold Delhaize N.V.
Royal Dutch Shell Plc
RPS Group Plc
RWE AG
Ryanair Holdings Plc
Safran SA
Sampo Oyj
Sanofi
SAP SE
Sasol Limited
Schneider Electric SE TEMP
Schroders PLC
Scor SE
Scorpio Bulkers, Inc.
Scout24 AG
Senior plc
Serco Group plc
Severn Trent Plc
Shoprite Holdings Limited
Siemens AG
Sika AG
Sirius Real Estate Limited
Smith & Nephew plc
Smurfit Kappa Group Plc
Societe Generale SA
Sodexo SA
SolarEdge Technologies, Inc.
Spar Group Limited
Spirax-Sarco Engineering Plc
SSAB AB

Europe, The Middle East and Africa cont.

SSE plc
SSP Group Plc
Stagecoach Group plc
Standard Bank Group Limited
Standard Chartered PLC
Stock Spirits Group Plc
Stora Enso Oyj
Straumann Holding AG
Sunrise Communications Group Ltd.
Svenska Handelsbanken AB
Swatch Group Ltd. Bearer
Swedbank AB
Swiss Life Holding AG
Swiss Prime Site AG
Swiss Re AG
Symrise AG
Synthomer PLC
Technicolor SA
Ted Baker PLC
Telecom Italia SpA
Telefonica SA
Teleperformance SE
Temenos AG
Ten Entertainment Group Plc
Tesco PLC
Teva Pharmaceutical Industries Limited
thyssenkrupp AG
Total SE
Transocean Ltd.
Treatt plc
Trifast plc
TUI AG
Tullow Oil plc
Ubisoft Entertainment SA
UBS Group AG
Ultra Electronics Holdings plc
Umicore
Unibail-Rodamco-Westfield SE
UniCredit S.p.A.
Unilever NV
Unilever PLC
UPM-Kymmene Oyj
UroGen Pharma Ltd.
Valaris PLC
Valeo SA
Vectura Group plc
Veolia Environnement SA
Veoneer, Inc.
Victrex plc
Vistry Group PLC
Vivendi SA
Vodafone Group Plc
voestalpine AG
Volkswagen AG
Volvo AB
Watches of Switzerland Group PLC
Wendel SE
WH Smith PLC
Whitbread PLC
Willis Towers Watson Public Limited Company
Wirecard AG
Wix.com Ltd.
Wm Morrison Supermarkets plc
Wolters Kluwer NV
Workspace Group PLC
Worldline SA
WPP Plc
Yellow Cake Plc
Zotefoams Plc
Zurich Insurance Group Ltd.

Appendix V
Industry affiliations and memberships

Industry affiliations and public speaking events provide important forums in which to advocate for our views on a variety of corporate governance topics, as well as listen to the views of our peers. BlackRock also engages the global investment and corporate community to promote a sustainable financial system through a number of coalitions and shareholder groups. In addition to those listed, we work informally with other shareholders (where such activities are permitted by law) to engage companies on specific issues or to promote market-wide enhancements to current practice.

Global

Broad-based initiatives	Environmental	Governance
• 30% Investor Club Group (2011 in the UK / 2014 in the U.S. / 2015 in Australia / 2019 Brazil) • CECP's Strategic Investor Initiative (2017) • Financial Stability Board (FSB) (2013) • International Integrated Reporting Council (IIRC) (2008) • International Capital Markets Association – AMIC Sustainable Finance Working Group and Green Subcommittee of the Board (2019) • SASB — Sustainability Accounting Standards Board (2011) • UN Principles for Responsible Investing (PRI) (2008) • IFC Operating Principles for Impact Management (2020) • The Global Impact Investing Network (2020)	• CDP (formerly Carbon Disclosure Project) (2007) • CICERO Climate Finance (2016) • Climate Action 100+ (2020) • Climate Bonds Initiative (2015) • Ellen MacArthur Foundation (2019) • Green Bond Principles (2015) • GRESB (2011) • One Planet Asset Managers Initiative (2019) • TCFD — Taskforce on Scaling Voluntary Carbon Markets (2020) • The Terrawatt Initiative (2017) • Vatican Energy Transition and Care for Our Common Home (2019) • World Economic Forum's Future of Energy Council (2016)	• International Corporate Governance Network (ICGN) (2008) • UN Global Compact (2020)

Americas region

Broad-based initiatives	Environmental	Governance
• Defined Contribution Institutional Investment Association — ESG Subcommittee (2018) • Harvard Law School Institutional Investor Forum (2013) • Intentional Endowments Network (IEN) (2016)	• American Council on Renewable Energy (2013) • American Wind Energy Association (2016) • Ceres Investor Network on Climate Risk and Sustainability (2008)	• Broadridge Independent Steering Committee (1999) • Commonsense Principles of Corporate Governance (2016) • Council of Institutional Investors (2006) • Canadian Coalition for Good Governance (2005) • Investor Stewardship Group (2017)

Asia-Pacific region

Broad-based initiatives	Environmental	Governance
• Responsible Investment Association Australia (2011) • Financial Services Council Australia (FSC) (2009) • The Investment Trusts Association of Japan (1998) • Japan Investment Advisers Association (1988) • Keidanren, Japan Business Federation (2010) • Public Shareholders Group (SFC) (2015)	• Asian Investor Group on Climate Change (2016) • Hong Kong Green Finance Association – ESG Disclosure and Integration Working Group (2018) • Investor Group on Climate Change Australia / New Zealand (2009)	• Asian Corporate Governance Association (2011)

Europe, Middle East and Africa region

Broad-based initiatives	Environmental	Governance
• Association for Financial Markets in Europe — Sustainable Finance Policy Working Group (2017) • Dutch Association of Investors for Sustainable Development (2018) • Dutch Fund and Asset Management Association — Sustainability Committee (2019) • European Fund and Asset Management Association — Responsible Investment and Stewardship Committee (2015) • The FRC Investor Advisory Group (2018) • Institut du Capitalisme Responsible (2017) • Impact Investing Institute (2019) • Pensions for Purpose (2019) • UK HMT Asset Management Taskforce (2017) • UK Investment Association — Sustainability and Responsible Investment Committee (2018) • UK Investor Forum — Governance and Engagement Committee (2015)	• Dutch Fund and Asset Management Association: National Climate Agreement (2019) • Institutional Investors Group on Climate Change (IIGCC) (2004)	• Eumedion Corporate Governance Forum (2010) • Corporate Governance Forum (1992) • Pensions and Lifetime Savings Association Stewardship Disclosure Framework (2015)

Appendix VI
Public policy consultations

BIS engages in market-level dialogue and public policy consultations to advance sound governance and sustainable business practices. In alignment with our commitment to transparency, we publish our responses to formal public policy consultations to provide clarity and insight to our clients, the companies they are invested in, and our other stakeholders, about our approach to corporate governance.

	Organization	Response
1	Australian Prudential Regulation Authority (APRA)	BlackRock Investment Management (Australia) Limited (BlackRock) response to discussion paper on strengthening prudential requirements for remuneration (Link)
2	Hong Kong Exchanges and Clearing Limited (HKEX) Corporate and Investor Communications Department	Consultation Paper on Review of the ESG Reporting Guide and Related Listing Rules (Link)
3	Hong Kong Exchanges and Clearing Limited (HKEX) Corporate and Investor Communications Department	Consultation response to Corporate Weighted Voting Rights (Link)
4	Japanese Financial Services Agency (FSA)	Consultation response to Stewardship Code (Link)
5	Securities and Exchange Board of India (SEBI)	Working group's report on issues related to Proxy Advisers (Link)
6	Securities and Exchange Commission (SEC)	Comment letter on the Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice (File No. S7-22-19) and Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8 (File No. S7-23-19) (Link)
7	Taiwan Stock Exchange Corporation (TWSE) Corporate Governance Department	Consultation paper on the Revision of Stewardship Principles for Institutional Investors (Link)

Prepared by BlackRock, Inc.

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Want to know more?

blackrock.com/corporate/about-us/investment-stewardship

ContactStewardship@blackrock.com

BlackRock