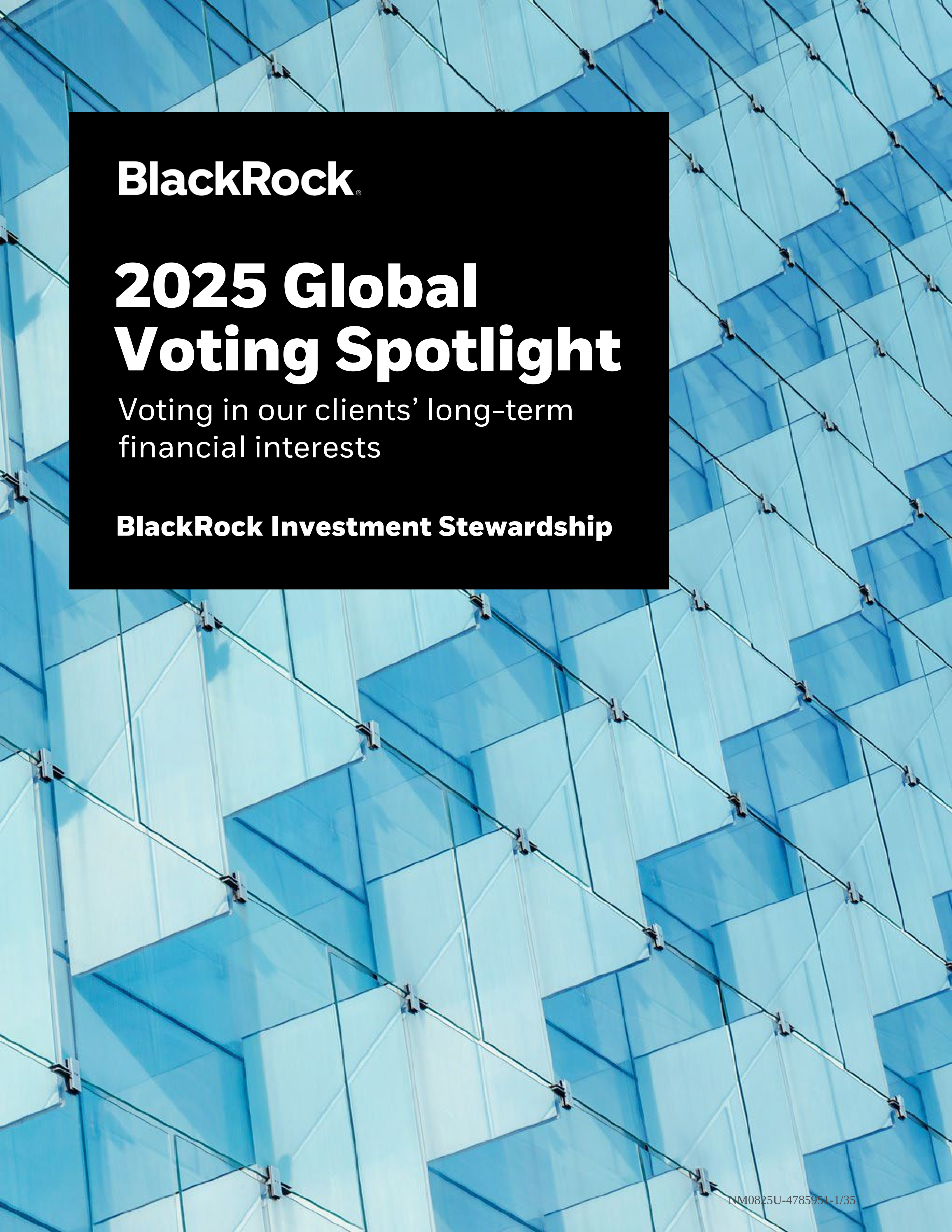

BlackRock

# 2025 Global Voting Spotlight

Voting in our clients' long-term financial interests

**BlackRock Investment Stewardship**

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# Important notes

At BlackRock, investment stewardship is core to our role as an asset manager and a fiduciary to our clients. BlackRock offers a range of investment stewardship options to reflect clients' individual investment choices and goals.

BlackRock Investment Stewardship (BIS) is responsible for stewardship activities in relation to clients' assets invested in index equity strategies.[1] As of June 30, 2025, clients held $6.9 trillion in public equity assets under management (AUM), with approximately 90% invested in index equity strategies.[2]

This report provides a comprehensive overview of BIS' approach to voting on corporate governance matters and other material risks and opportunities under BIS' Benchmark Policies, which take a financial materiality-based approach and are focused solely on advancing clients' financial interests. Clients representing approximately three quarters of public equity AUM entrust BIS to apply the Benchmark Policies.[3]

BlackRock recognizes that different clients have different investment objectives and preferences. In addition to our Benchmark Policies, BlackRock offers BlackRock Voting Choice and the Climate and Decarbonization Stewardship program. This report does not cover proxy voting for those eligible clients that have elected to vote their holdings through BlackRock Voting Choice (~$784 billion index equity AUM) or the Climate and Decarbonization Stewardship program (~$158 billion index equity AUM).[4, 5]

The information covered in this report reflects the period from July 1, 2024, through June 30, 2025, representing the U.S. Securities and Exchange Commission's (SEC) 12-month reporting period for U.S. mutual funds, including iShares. Throughout the report, we refer to this reporting period as the "2024-25 proxy year" or the "proxy year." BIS' full proxy voting record is also available through the Global Vote Disclosure tool, which provides a regular update of our vote instructions on behalf of clients for all proposals voted at individual shareholder meetings globally under our Benchmark Policies. When votes cast differ from a company's voting recommendation, BIS may provide a brief vote rationale.

Currency is shown in USD. Proxy voting data reflects BIS' management and shareholder proposal categories in alignment with BIS' proposal taxonomy. To learn more about BIS' proposal taxonomy please refer to the Appendix section. Information included in this report is subject to change without notice. As a result, subsequent materials and publications distributed may include additional information, updates, and modifications, as appropriate. The information herein must not be relied upon as a forecast, research, or investment advice. BlackRock is not making any recommendation or soliciting any action based upon this information and nothing in this document should be construed as constituting an offer to sell, or a solicitation of any offer to buy, securities in any jurisdiction to any person. References to individual companies are for illustrative purposes only.

For more information, contact the BIS team at contactstewardship@blackrock.com.

**1** As of January 1, 2025, BlackRock's stewardship policies are developed and implemented separately by BIS and BlackRock Active Investment Stewardship (BAIS). BAIS partners with BlackRock's active investment teams in relation to their holdings. While the two teams operate independently, their approaches are each grounded in widely recognized norms of corporate governance and shareholder rights and responsibilities. This report does not cover BAIS' activities. **2** Source: BlackRock, Inc. Estimate based on figures reported in BlackRock Inc.'s financial results as of June 30, 2025, which indicated that approximately 50% of total equity AUM was held in iShares ETFs, and a further 39% of total equity AUM was invested in index strategies on behalf of institutional clients. See: "BlackRock's Q2 2025 Quarterly Results." **3** Balance of client AUM voted through BlackRock Voting Choice, the Climate and Decarbonization Stewardship program, and BAIS. **4** The Climate and Decarbonization Stewardship program AUM includes in-scope index equity funds and separately managed accounts where proxy voting is administered by BIS as of June 30, 2025. BAIS separately administers proxy voting activities for its respective in-scope strategies. The total program applying the Guidelines represents $203 billion of client AUM, or approximately 3% of our clients' total public equity AUM. **5** Source: BlackRock. Client funds participating in BlackRock Voting Choice are as of June 30, 2025. Assets include index equity assets held in multi-asset fund of funds strategies.

**Joud Abdel Majeid**

Global Head of Investment Stewardship[1]

# Foreword

Over the past year, investors and companies navigated elevated uncertainty, volatile markets, and sharp policy shifts. Yet, a set of mega forces — including artificial intelligence, geopolitical fragmentation, and the energy transition — continued to catalyze significant demand for capital and create unique opportunities for investors.

Amid this shifting landscape, investors like our clients are focused on understanding how companies are positioning themselves for opportunities and adapting to deliver resilient corporate earnings.

At BlackRock, investment stewardship serves as a link between our clients and the companies they invest in and is one of the ways we fulfill our fiduciary responsibilities as an asset manager on their behalf. Our long-term approach to stewardship is built on an ongoing, constructive dialogue with the companies we invest in, which helps inform our voting decisions on behalf of clients. Our sole focus when conducting our stewardship program under our Benchmark Policies is to advance our clients' long-term financial interests.

## Engaging and proxy voting on behalf of our clients under our Benchmark Policies

Over the past 12 months, we held thousands of discussions with members of the board and management teams of the companies our clients invest in to learn about how this operating environment may shape their long-term performance. These conversations provide us with the opportunity to listen to their perspectives, enhance our understanding of their business models, and inform our voting decisions for clients who have authorized us to vote on their behalf.

Voting at a company's shareholder meeting is a basic right of share ownership and a core principle of corporate governance. As a fiduciary, BlackRock is legally required to make proxy voting determinations on behalf of clients who have delegated voting authority to us in a manner that is consistent with their investment objectives.

BlackRock's Benchmark Policies, which we are entrusted to apply to the large majority of our clients' assets, take a financial materiality-based approach and are focused solely on advancing clients' financial interests.

Our voting record under our Benchmark Policies remained consistent with previous years. This proxy year, we supported management on ~89% of the more than 152,000 proposals voted globally, reflecting our assessment that in the vast majority of cases, investors and management are aligned on how companies are delivering financial value for their shareholders.[2]

**1** As of July 2025, Amra Balic and John Roe are appointed Global Co-Heads of BIS. Joud Abdel Majeid continues to oversee BIS in an expanded role. **2** Source: BlackRock, Institutional Shareholder Services (ISS). Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025.

**We remain steadfast in our commitment to innovate and offer a range of choices to help our clients meet their investment objectives.”**

In the 2024-25 proxy voting year, similar to the year before, investors continued to demonstrate stronger support for shareholder proposals addressing corporate governance matters that strengthen the rights of minority shareholder proposals, such as BlackRock’s clients.

In the U.S., where most shareholder proposals are filed, environmental and social proposals voted declined by ~36% this year. As in previous years, investors found the majority of these proposals to be prescriptive, redundant, lacking economic merit, or asking companies to roll back company efforts to address material sustainability-related risks. As a result, these proposals continued to receive low market support, including from BlackRock.[1]

## Empowering more investors with innovative stewardship choice

BlackRock leads the asset management industry in giving clients choice in the stewardship of their capital.

To support eligible clients who want to participate in the proxy voting process, BlackRock launched Voting Choice in 2022. Clients representing ~$784 billion in index equity assets under management (AUM) are enrolled in the program as of June 30, 2025. Over the past year, we have taken steps to expand the program and provide our clients with more choices in proxy voting policies. We added Egan-Jones as a third voting policy provider, further building out the menu of third-party policies.[2] We also enabled Voting Choice for eligible institutional clients in select Swiss-domiciled funds, adding to existing availability in funds in the U.S., Canada, Ireland, and the UK.

In July 2024, we launched the Climate and Decarbonization Stewardship program, and the applicable proxy voting Guidelines, for clients with explicit climate and decarbonization investment objectives. The Guidelines do not influence voting decisions on behalf of clients made under the BIS Benchmark Policies. As of June 30, 2025, total funds and separately managed accounts that have chosen to apply the Guidelines represent $158 billion of client index equity AUM, or approximately 2% of our clients’ total public equity AUM.[3, 4]

We remain steadfast in our commitment to innovate and offer a range of choices to help our clients meet their investment objectives, and I am proud of the work that BlackRock Investment Stewardship has done over the past proxy year on behalf of our clients.

**1** Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data by proxy year, i.e., running from July 1 through June 30 each year. Includes only climate and natural capital, and company impacts on people shareholder proposals per BIS’ proposal taxonomy. **2** The three proxy advisors are Egan-Jones, Glass Lewis, and ISS. **3** A list of approved funds is on BlackRock’s website here. **4** AUM includes in-scope index equity funds and separately managed accounts where proxy voting is administered by BIS as of June 30, 2025. BAIS separately administers proxy voting activities for its respective in-scope strategies. The total program applying the Guidelines represents $203 billion of client AUM, or approximately 3% of our clients’ total public equity AUM.

# Executive summary

BIS' Global Voting Spotlight is a comprehensive overview of our approach to voting on corporate governance matters and other material risks and opportunities under our Benchmark Policies from July 1, 2024, through June 30, 2025.[1] Our sole focus when conducting our stewardship program under our Benchmark Policies — including our voting activities — is to advance our clients' long-term financial interests.

## 2024-25 proxy year highlights

Voting at a company's shareholder meeting is a basic right of share ownership and a core principle of corporate governance. As a fiduciary, BlackRock is legally required to make proxy voting determinations on behalf of clients who have delegated voting authority to us in a manner that is consistent with their investment objectives.

BIS' Benchmark Policies, and the vote decisions made consistent with those policies, reflect our reasonable and independent judgment of what is in the long-term financial interests of clients. BIS does not act collectively with other shareholders or organizations in voting shares.

In the 2024-25 proxy year, BIS voted on more than 152,000 management and shareholder proposals globally at more than 12,700 companies in 58 voting markets.[2] The substantial majority of proposals were on ordinary matters such as director elections, board-related items, and auditor ratification.

As in previous years, BIS supported management on ~89% of total proposals voted, reflecting our assessment that boards and management teams generally acted in alignment with shareholders' interests.[2]

BIS supported ~90% of the more than 70,000 proposals categorized as director elections we voted on globally.[2, 3] Board independence issues remained the primary reason we did not support these proposals globally.

**1** Every year, BlackRock submits its global voting record to the U.S. SEC through the filing of Form N-PX, the annual form that mutual funds and other registered investment companies are required to submit disclosing how they voted proxy ballots. Form N-PX is to be filed no later than August 31 of each year, containing the proxy voting record for the most recent 12-month period ending June 30. See "Form N-PX" to learn more. **2** Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025. **3** Refer to Appendix II - Proposal terminology explained" for detail on the proposal types included in this category.

Shareholder proposals continued to represent less than 1% of total proposals BIS voted on during the 2024-25 proxy year. BIS supported ~11% of global shareholder proposals, in line with last year's support rate.[1]

Consistent with last year, BIS most frequently supported shareholder proposals related to governance matters, particularly those aimed at strengthening minority shareholder rights, such as those requesting the adoption of simple majority voting.

The number of proposals focused on climate and natural capital (environmental) and company impacts on people (social) appearing on company ballots decreased this proxy year, with BIS voting on ~36% fewer of such proposals in the U.S. compared to last year.[2] We again found that many of these proposals were over-reaching, lacked economic merit, or sought outcomes that were unlikely to promote long-term financial value. The majority also addressed business risks that companies already had processes in place to address, making them redundant. As a result, investor support for these proposals — including BlackRock's — continued to be low.

We continued to expand choice in stewardship. While the majority of clients delegate voting to BIS under our Benchmark Policies, we recognize that our clients' investment objectives and preferences vary.

BlackRock Voting Choice provides eligible clients with more opportunities to participate in the proxy voting process, where legally and operationally viable. $3.3 trillion of BlackRock's $6.9 trillion total index equity assets under management (AUM) are eligible to participate in BlackRock Voting Choice, where legally and operationally viable.[3] Clients' assets representing ~$784 billion in index equity AUM are exercising this option.[4]

**1** Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data by proxy year, i.e., running from July 1 through June 30 each year. Includes only governance, climate and natural capital, and company impacts on people shareholder proposals per BIS' proposal taxonomy. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market. **2** Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data by proxy year, i.e., running from July 1 through June 30 each year. Reflects vote instructions on climate and natural capital, and company impacts on people shareholder proposals per BIS' proposal taxonomy. Proposals related to matters beyond core governance issues are typically categorized in the market as environmental or social proposals. We consider these to be sustainability-related issues and generally categorize them in accordance with our engagement priorities, i.e., "climate and natural capital" and "company impacts on people" (a company's employees, its broader value chain, or the communities in which it operates). **3** BlackRock will determine eligibility criteria under this program based upon, among other things, local market regulation and practice, cost considerations, operational risk and/or complexity, and financial considerations, including the decision to lend securities. **4** Source: BlackRock. Client funds participating in BlackRock Voting Choice are as of June 30, 2025. Assets include index equity assets held in multi-asset fund of funds strategies.

# By the numbers

Figure 1

## Engaging companies to build our understanding of material risks and opportunities and inform our voting decisions on behalf of our clients*

| Region | Engagements | Companies engaged | Companies engaged multiple times | Markets engaged |
|---|---|---|---|---|
| Americas | 1,183 | 943 | 181 | 7 |
| APAC | 802 | 586 | 159 | 13 |
| EMEA | 599 | 421 | 106 | 24 |
| **Total** | **2,584** | **1,950** | **446** | **44** |

Source: BlackRock. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025.

Figure 2

## Engagements across our five priorities

| | | | | |
|---|---|---|---|---|
| **2,145** | **1,623** | **1,043** | **865** | **825** |
| Strategy, purpose, and financial resilience | Board quality and effectiveness | Incentives aligned with financial value creation | Climate and natural capital | Company impacts on people |

Source: BlackRock. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025. Most engagement conversations cover multiple topics and therefore the engagements across our five priorities sub-totals may not add up to the total 2,584 engagements held during the proxy year. Our engagement statistics reflect the primary topics discussed during the meeting.

**~70%** **of the value of BlackRock's clients' equity assets engaged**

Source: BlackRock. Reflects BlackRock exposure as of June 30, 2025.

*On February 11, 2025, the U.S. SEC staff issued updated guidance for shareholders' "passivity" status in regards to engaging with their portfolio companies on corporate governance and other stewardship topics. We comply with the requirements and do not use engagement as a way to control publicly traded companies.

Figure 3

## Voting on behalf of clients' long-term financial interests

| Region | Proposals voted | Meetings voted | Companies voted | Markets voted |
|---|---|---|---|---|
| Americas | **42,930** | **5,011** | **4,510** | **8** |
| APAC | **63,251** | **8,727** | **5,736** | **15** |
| EMEA | **45,826** | **3,064** | **2,488** | **35** |
| **Total** | **152,007** | **16,802** | **12,734** | **58** |

Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025. Covers meetings on companies held within index equity portfolios. Meetings for companies held exclusively in active portfolios are voted by BAIS.

Figure 4

## Proposals voted at a glance

**152,007**
total proposals voted

**77,173**
on director elections and board-related proposals (~51%)[1]

**17,474**
on executive compensation proposals (~11%)[2]

**764**
on shareholder proposals (<1%)[3]

Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025. Numbers in parenthesis reflect the percentage each category represents out of total proposals voted. Reflects BIS' proposal taxonomy. To learn more about BIS' proposal taxonomy and a full detail of total proposals voted, please refer to the Appendix II.

**1** Includes management and shareholder director elections and board-related proposals. Board-related items include advisory votes, the election of alternate and deputy members to the board, and internal matters, among others. For a full description of items included in each proposal category, please refer to the Appendix section. **2** Includes management executive compensation proposals. **3** Includes only governance, climate and natural capital, and company impacts on people shareholder proposals per BIS' proposal taxonomy. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market.

Figure 5

## Voting on management proposals

**~89%**

of proposals voted consistent with management's vote recommendations[1]

**~90%**

of proposals categorized as director elections supported[2]

Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025.

**Number of companies where BIS did not support proposals categorized as director elections for governance concerns[1]**

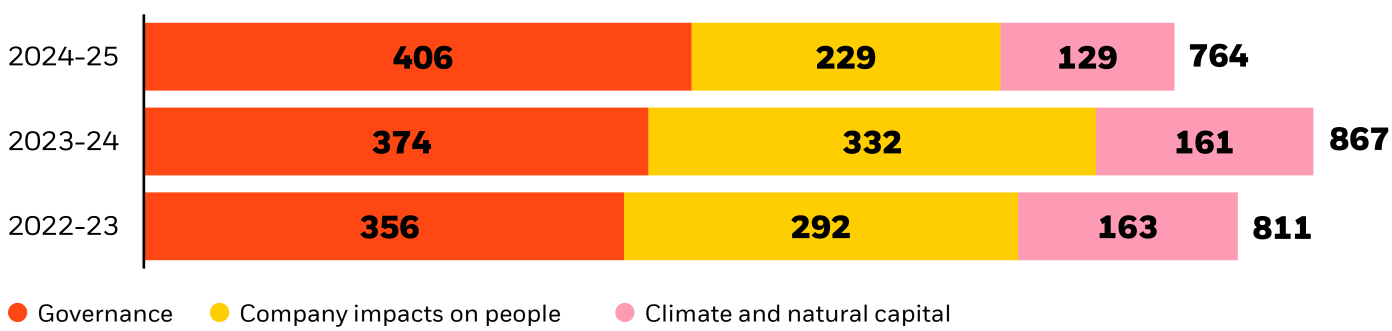
| | Americas | APAC | EMEA | Total |
|---|---|---|---|---|
| Board independence | 628 | 1,071 | 277 | 1,976 |
| Executive compensation | 164 | 11 | 433 | 608 |
| Board composition | 337 | 23 | 181 | 541 |
| Overcommitment[3] | 175 | 83 | 254 | 512 |

Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025.

Figure 6

## Voting on shareholder proposals

**Global shareholder proposals by proxy year**

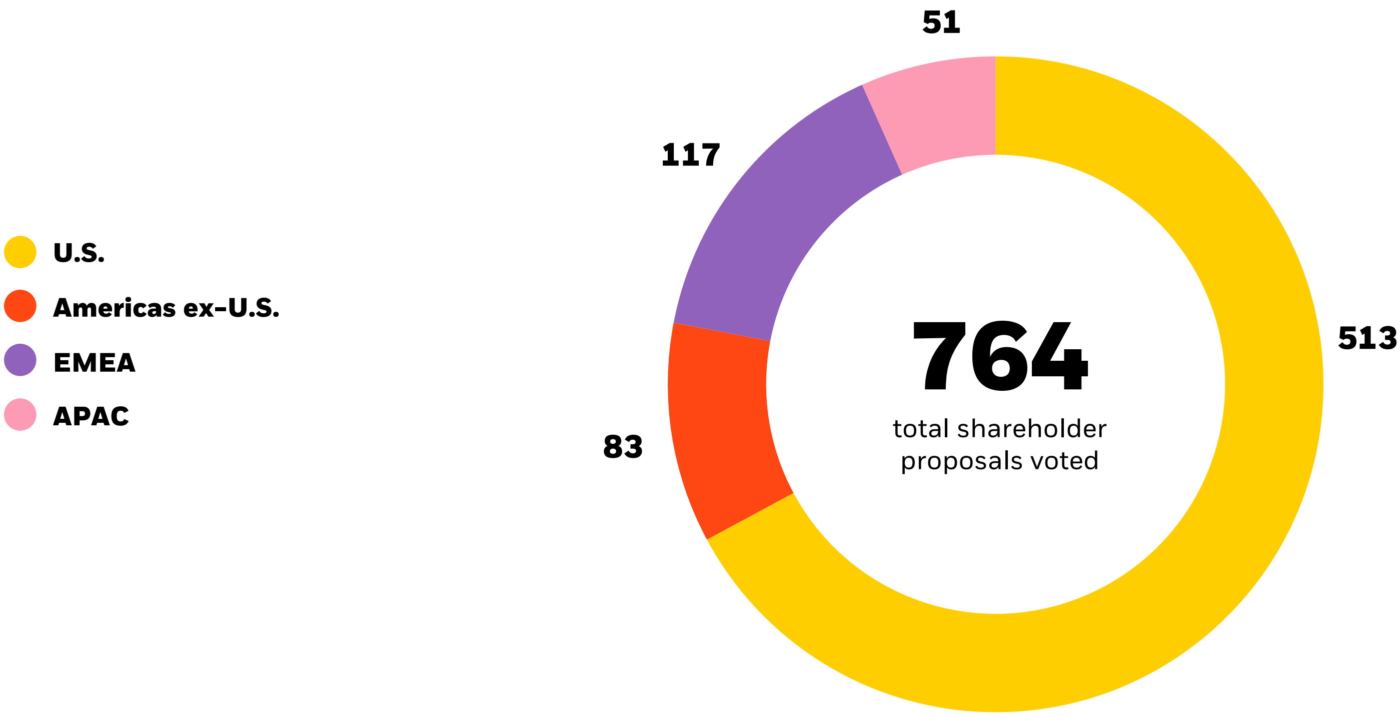



Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data by proxy year, i.e., running from July 1 through June 30 each year. Includes only governance, climate and natural capital, and company impacts on people shareholder proposals per BIS' proposal taxonomy. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market.

**1** Votes to not support management recommendations include votes withheld and abstentions. **2** Refer to "Appendix II - Proposal terminology explained" for detail on the proposal types included in this category. **3** Includes voting action on regular overcommitment policy and overcommitment policy for executives per the BIS Global Principles.

Figure 7

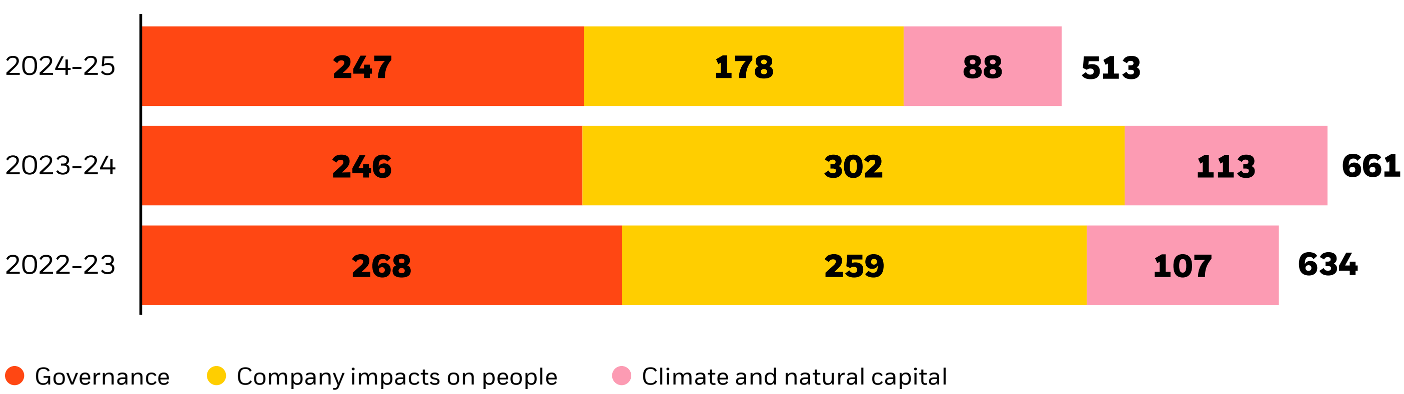
## Geographic distribution of shareholder proposals BIS voted on during the 2024–25 proxy year




Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data by proxy year, i.e., running from July 1 through June 30 each year. Includes only governance, climate and natural capital, and company impacts on people shareholder proposals per BIS' proposal taxonomy. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market.

Figure 8

## U.S. shareholder proposals by proxy year

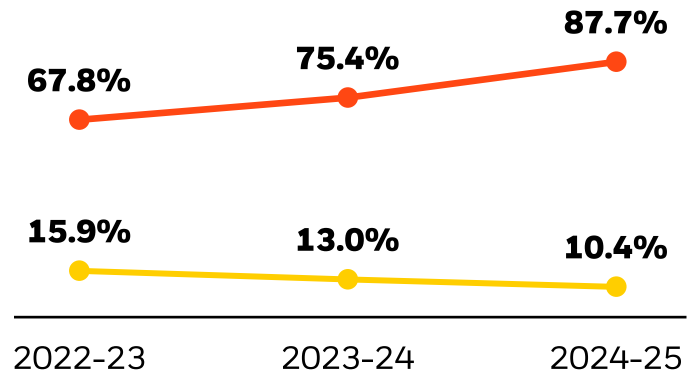



Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data by proxy year, i.e., running from July 1 through June 30 each year. Includes only governance, climate and natural capital, and company impacts on people shareholder proposals per BIS' proposal taxonomy.

Figure 9

## Decreasing shareholder support for proposals in the U.S.

**Measured in median market support for U.S. environmental and social-related shareholder proposals that went to a final vote and % of these proposals receiving at least 75% market opposition.**




- % of proposals receiving strong opposition
- Median market support

Source: BlackRock, ISS. Measured in median shareholder support, rounded to the nearest tenth, for U.S. climate and natural capital, and company impacts on people-related shareholder proposals that went to a final vote. Includes ISS data only for companies that have disclosed shareholder meeting results. Sourced on July 23, 2025, reflecting data by proxy year, i.e., running from July 1 through June 30 each year. BIS defines strong opposition to a proposal as having received at least 75% opposition from shareholders. A proposal has received majority support if more than 50% of shares voted were "for."

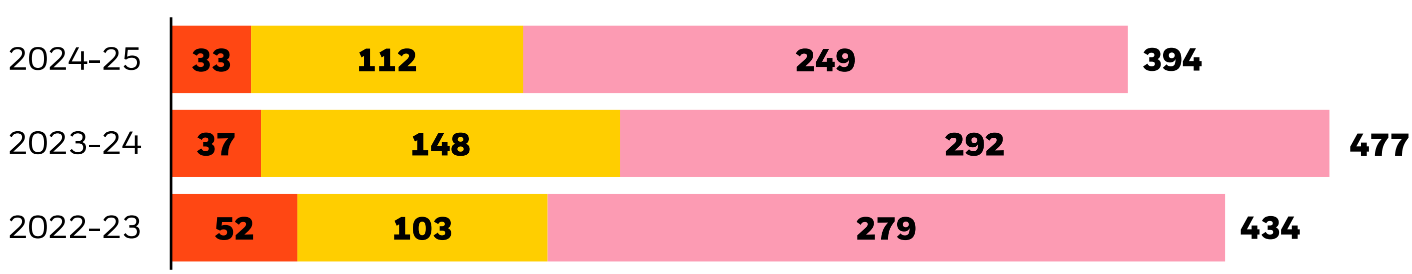
Figure 10

## BIS' voting decisions on behalf of clients on shareholder proposals during the 2024-25 proxy year

| | For | Against | Total |
|---|---|---|---|
| Governance | **74** | **332** | **406** |
| Company impacts on people | **5** | **224** | **229** |
| Climate and natural capital | **2** | **127** | **129** |
| **Total** | **81** | **683** | **764** |

Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025. Reflects vote instructions on governance, climate and natural capital, and company impacts on people shareholder proposals per BIS' proposal taxonomy. Votes "for" include abstentions. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market.

### Reasons BIS did not support climate and natural capital, and company impacts on people shareholder proposals globally




- Lacking economic merit
- Too prescriptive
- Company has process in place to address business risk

Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data by proxy year, i.e., running from July 1 through June 30 each year. Reflects vote instructions on climate and natural capital, and company impacts on people shareholder proposals per BIS' proposal taxonomy. Votes "for" include abstentions. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market. Total climate and natural capital, and company impacts on people shareholder proposals BIS voted against. Each row total may not add up due to some proposals being not supported for more than one reason.

# Voting in our clients' long-term financial interests

**Voting at a company's shareholder meeting is a basic right of share ownership and a core principle of corporate governance. As a fiduciary, BlackRock is legally required to make proxy voting determinations on behalf of clients who have delegated voting authority to us in a manner that is consistent with their investment objectives. BIS does this by casting votes in favor of proposals that, in our assessment, will enhance long-term financial value.**

**Setting, executing, and overseeing strategy are the responsibility of management and the board. As one of many minority shareholders on behalf of our clients, BlackRock does not direct a company's strategy or its implementation. BIS does not act collectively with other shareholders or organizations in voting shares and does not follow any proxy research firm's voting recommendations. BIS does not disclose our vote intentions in advance of shareholder meetings as we do not see it as our role to influence other investors' proxy voting decisions. In addition, BlackRock does not file shareholder proposals or nominate directors for election to a company's board.[1, 2]**

BIS' Benchmark Policies — which are comprised of our Global Principles, regional voting guidelines, and Engagement Priorities — set out the core elements of corporate governance that guide our investment stewardship efforts globally and within each market.[3] The vote decisions made in line with our Benchmark Policies, and on behalf of our clients, reflect our reasonable and independent judgment of what is in the long-term financial interests of clients and are informed by in-depth analysis of company disclosures, comparisons against industry peers, engagement with boards and management teams, and third-party research.

In the 2024-25 proxy year, BIS held 2,500+ engagements with members of the boards and management teams of the companies our clients invest in.[4] Engagements provide companies with the opportunity to share their perspectives on topics that, in BIS' experience, impact the long-term financial returns BlackRock's clients depend on to meet their financial goals. In these conversations, BIS listened to company directors and executives to understand how they are overseeing material business risks and opportunities, over time. This helped us make informed voting decisions on behalf of our clients.[5]

**1** BlackRock is subject to certain rules, regulations, and agency guidance that place restrictions and limitations on how BlackRock can interact with the companies in which we invest on behalf of our clients, including our ability to submit shareholder proposals or nominate directors for election to the board. Non-compliance with these requirements could adversely affect BlackRock's ability to serve its clients' interests. **2** BlackRock conducts our stewardship activities independently from other investors. We have made it clear publicly that we do not coordinate our vote decisions or investment decisions on behalf of clients with any external group or organization. We do not make commitments that constrain our ability to invest our clients' money on their behalf consistent with their objectives. Similarly, we do not make any commitments or pledges that would interfere with our independent determination on how to engage with issuers and vote proxies in the long-term financial interests of our clients. BlackRock joins and leaves many working groups and initiatives based on their relevance to our business needs and their effectiveness in supporting our clients' interests. **3** BIS reviews our Benchmark Policies every year and updates them, as necessary, to reflect changes in market standards and regulations, feedback from clients and companies, and insights gained over the year through third-party and our own research. **4** Source: BlackRock. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025. 5 On February 11, 2025, the U.S. SEC staff issued updated guidance for shareholders' "passivity" status in regards to engaging with their portfolio companies on corporate governance and other stewardship topics. We comply with the requirements and do not use engagement as a way to control publicly traded companies.

During the 2024–25 proxy year, BIS voted at 16,800+ shareholder meetings on more than 152,000 management and shareholder proposals in 58 voting markets.[1] Most of the proposals that we voted on addressed ordinary matters, such as director elections, board-related items, and auditor ratification. Shareholder proposals continued to represent less than 1% of the total proposals BIS voted on globally.[2]

As reflected in our voting each proxy year, BIS is generally supportive of management at companies which have sound corporate governance and deliver strong financial returns over time. When we determine it is in our clients' financial interests to convey concern to companies through voting, we may do so in two forms: we might not support the election of directors or other management proposals, or we might not support management's voting recommendation on a shareholder proposal. BIS' stewardship activities during the reporting period are described in the following pages, which include company case studies that illustrate our case-by-case approach to stewardship.

**1** Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025. Covers meetings on companies held within index equity portfolios. Meetings for companies held exclusively in active portfolios are voted by BAIS. **2** Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data by proxy year, i.e., running from July 1 through June 30 each year. Includes only governance, climate and natural capital, and company impacts on people shareholder proposals per BIS' proposal taxonomy.

# Management proposals

## Director elections

Appropriately qualified, engaged directors with characteristics relevant to a company's business enhance the board's ability to add long-term financial value and serve as the voice of shareholders in board discussions. In our view, a strong board gives a company a competitive advantage, offering valuable oversight and contributing to the most important management decisions that support long-term financial performance. For this reason, our investment stewardship efforts have always focused on the effectiveness of the board of directors.

The election of directors to the board is a right of shareholders and an important signal of support for, or concern about, the performance of the board in overseeing and advising management.

When casting vote decisions on behalf of clients on the election of directors, we assess a number of factors, including the board's effectiveness as a group, the relevance of individual directors' qualifications, time commitments, and skillsets; and how these factors may contribute to the company's financial performance. We look to boards to establish formal and transparent processes for nominating directors that reflect the company's long-term strategy and business model.

During the 2024-25 proxy year, more than 70,000 of the 152,000+ proposals BIS voted were categorized as director elections.[1] BIS supported ~90% of these proposals, reflecting our assessment that boards and management teams generally acted in alignment with shareholders' interests.[1] The four key reasons we did not support management recommendations were governance-related and have been consistent over the years: director independence, executive compensation that is not aligned with shareholder interests, board composition, and director overcommitment.[1]

Director independence remained the primary reason we did not support proposals categorized as director elections globally, mainly driven by votes against management's recommendation in APAC, reflecting the prevalence of controlling shareholder structures in many markets in this region.[1]

During the 2024-25 proxy year, BIS voted to communicate these independence-related concerns on 1,917 proposals categorized as director elections in the APAC market.[1]

Examples of BIS' voting on behalf of clients on these matters are on the following pages:

1 Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025. Refer to "Appendix II - Proposal terminology explained" for detail on the proposal types included in this category.

**Case studies**

### Director independence

Director independence — from management, significant shareholders, or other related parties — is a central tenet of sound corporate governance across markets.[3] We encourage boards to have a sufficient number of independent directors, free from conflicts of interest or undue influence, to ensure objectivity in the decision making of the board and its ability to oversee management. When assessing the likelihood that a director is independent, we consider criteria that we outline in the BIS regional voting guidelines, which reflect market-specific regulation and local norms.

**3** Please see: Tokyo Stock Exchange. "Japan's Corporate Governance Code." June 11, 2021; Financial Reporting Council. "UK Corporate Governance Code." January 2024; Investor Stewardship Group. "Corporate Governance Principles for US Listed Companies."

Under the Hong Kong Corporate Governance Code and exchange listing rules, companies must have at least three independent non-executive directors (INEDs) and INEDs must constitute at least one-third of the board. In addition, local market norms have long focused on director tenure as a factor affecting independence, with the Hong Kong Exchange recently updating its listing rules to cap tenure for all INEDs at nine years starting in 2031.[1] Against this backdrop, BIS identified independence concerns at both the board and committee levels of **First Pacific Company Limited**, a Hong Kong-based investment holding company. At the time of the June 2025 annual general meeting (AGM), three of the five INEDs had served for at least 12 years.[2] The company did not disclose sufficient information to explain how these directors maintained their independence despite their tenure. BIS did not consider those directors to be independent in this market. As a result, the company's board was composed of less than one-third independent directors, and several of its committees were not majority independent. BIS did not support the re-election of the longest-serving INED. All management proposals received majority shareholder support at the AGM.[3]

## Board composition

The mix of director professional and personal characteristics, including their experiences, perspectives, and skillsets, collectively contribute to the board's effectiveness in advising and overseeing management in delivering long-term financial returns. When nominating directors to the board, we look to companies to provide sufficient information on the individual candidates so that shareholders can assess the capabilities and suitability of each individual nominee and their fit within overall board composition. It is in this context that we are interested in a variety of experiences, perspectives, and skillsets in the boardroom.

We see it as a means of promoting diversity of thought to avoid “group think” in the board’s exercise of its responsibilities to advise and oversee management. We take a case-by-case approach to analyzing a board's composition — based on a company’s board size, business model, strategy, location, and market capitalization — and we do not prescribe any particular board composition in our engagements or voting.

As part of our process to evaluate contested director elections, for each director nominee we analyze the alignment of the individual’s skills and experience with the challenges that a company currently faces and may face over the next few years.

**1** Starting July 1, 2028, companies must ensure that at least 50% of their independent non-Executive directors (INEDs) have served less than nine years. By July 1, 2031, no INED can have more than nine consecutive years of service. Directors may continue service as non-executive directors (NED) but will not be considered as independent under the listing exchange rules. See: Hong Kong Exchange. “Corporate Governance Code.” Part 2, section B.2. **2** First Pacific Company Limited. “Annual Report 2024.” 3 First Pacific Company Limited. “Poll Results of the Annual General Meeting and Special General Meeting Held on 18 June 2025.” June 18, 2025.

For example, in the contested director election at the January 2025 AGM of U.S. company **Air Products and Chemicals, Inc. (Air Products)**, we closely evaluated the skills and capabilities that each nominee brought to the board. The industrial gas company is currently involved in the development of some of the world's largest clean hydrogen projects. BIS determined that one of the dissident nominees, who brought capital allocation expertise after years of service as a CFO in capital-intensive businesses, had skills that were more directly applicable than one of management's nominees, who brought deep corporate M&A legal expertise. This alignment contributed to our support of one of the dissident's four nominees. Ultimately, three of the dissident's nominees, including the one that we supported, were elected to the company's nine-member board.[1]

At **CTBC Financial Holding Company**, a company based in the Taiwan market, a non-executive director was involved in multiple legal proceedings, including one that resulted in a finding of financial misconduct related to a real property transaction during the director's tenure.[2] As a result, BIS did not support the elections of the non-executive director, as well as the chair of the nomination committee, at the company's June 2025 AGM. While all management-nominated director candidates received majority shareholder support, the non-executive director resigned from the board following the meeting in response to concerns from various stakeholders.[3, 4]

## Overcommitment

Serving on an excessive number of boards may limit a director's capacity to focus on each board's needs. Our regional voting guidelines set out the maximum number of boards on which a director may serve before BIS considers them to be overcommitted.

Following steps **Carlsberg A/S (Carlsberg)** took to address the overcommitment issues of two directors over the year, BIS voted in support of all director elections at the March 2025 AGM of the Danish alcoholic beverages company. BIS had previously voted to communicate director capacity-related concerns at Carlsberg's March 2024 AGM. BIS engaged with members of Carlsberg's management team before the March 2025 AGM to better understand the company's approach to board composition. All director nominees received majority shareholder support at the March 2025 AGM.[5]

**1** Air Products and Chemicals, Inc. "Form 8-K." January 27, 2025. **2** Taipei Times. "Ex-CTBC Financial vice chairman gets jail in property scandal." May 15, 2025. **3** CTBC Financial Holding Company. "Minutes of the 2025 Annual General Meeting of Shareholders." June 13, 2025. **4** CTBC Financial Holding Company. "Announcement of the change in representative of juristic person director." June 13, 2025. 5 Carlsberg A/S. "Overview of votes cast at Carlsberg A/S' Annual General Meeting March 17, 2025." March 17, 2025.

# Executive compensation

Executive compensation is an important tool used by companies to support long-term financial value creation. In our experience, well-structured compensation policies reward the successful delivery of strategic, operational, and/or financial goals, encourage an appropriate risk appetite, and align the interests of shareholders and executives through equity ownership.[1] We appreciate when companies make clear in their disclosures the connection between compensation policies and outcomes and the financial interests of long-term shareholders.[2]

When assessing compensation proposals, BIS closely reviews companies' disclosures to determine whether the board's approach to executive compensation is rigorous and reasonable in light of the company's stated long-term corporate strategy and specific circumstances, as well as local market and policy developments. When our analysis indicates that executive compensation is misaligned with company performance, we may vote to communicate concerns about the board's approach. We do so in two forms: we may not support the election of responsible members of the compensation committee, or we may not support other compensation-related management proposals, i.e., "Say on Pay" and grant approvals, which are common practice in markets such as Australia, the U.S., and the UK.[3]

Globally, BIS did not support 1,068 proposals categorized as director elections at 608 companies due to concerns about the alignment of their approach to executive compensation with shareholders' long-term financial interests during the 2024-25 proxy year.[4] BIS supported ~84% (14,643 out of 17,474) of compensation-related management proposals put to a shareholder vote during the 2024-25 proxy year.[5] BIS supported ~82% (16,176 out of 19,710) of these proposals during the 2023-24 proxy year.[5] Our support was largely driven by many companies' clear articulation of how their policies align with shareholders' long-term financial interests, particularly around how short- and long-term incentive plans complement one another and are effective in rewarding executives who deliver long-term financial value.

1 The term "compensation" is used as an equivalent to "remuneration" or "pay." 2 A compensation outcome generally relates to the payout of a performance-conditioned pay component, and reflects both the construction of the pay program as well as the performance of the company and executives against defined performance objectives. 3 The terminology can vary across markets, but "Say on Pay" is the generic expression referring to the ability of shareholders to vote on a company's compensation policy, plan, and/or practices. For select markets in Europe, the Middle East, and Africa, this term may also refer to shareholders' ability to vote on the report companies publish on the implementation of its policies. 4 Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025. Refer to "Appendix II - Proposal terminology explained" for detail on the proposal types included in this category. 5 Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data by proxy year, i.e., running from July 1 through June 30 each year.

**Case studies**

## Americas

In the U.S. market, we continued to vote against programs that either had large outside-of-program awards that lacked a compelling rationale, lacked sufficient linkages between compensation and financial returns to shareholders, or did not articulate clear connections between compensation program design and corporate strategy. For example, BIS voted to express concerns about executive compensation at the 2025 AGMs of several U.S. technology companies including **Lattice Semiconductor Corporation**, **Mara Holdings Inc.**, and **MaxLinear, Inc.** Say on Pay proposals at these companies ranged between ~22% and ~56%.[6, 7, 8] For comparison, median market support for Say on Pay proposals at U.S. companies was ~94% in the 2024-25 proxy year.[9]

**6** Lattice Semiconductor Corporation. "Form 8-K." May 2, 2025. **7** Mara Holdings Inc. "Form 8-K." June 26, 2025. **8** MaxLinear, Inc. "Form 8-K." May 20, 2025. **9** Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025.

## APAC

At the June 2025 AGM of **Takeda Pharmaceutical Co., Ltd.**, a Japanese pharmaceutical company, BIS did not support the election of the compensation committee chair and the approval of the annual bonus to certain board directors. In BIS' assessment, there was a misalignment between pay and performance, alongside insufficient disclosure on the effectiveness of the remuneration policies in incentivizing long-term financial value creation. The director election and annual bonus received, respectively, ~89% and ~68% support from shareholders at the June 2025 AGM.[1]

Executive remuneration has also continued to be a focus in the Australian market, where, during the 2024–25 proxy year we continued to note an uptick in practices that we did not consider to be aligned with shareholders' long-term financial interests.[2] Say on Pay resolutions in this market are advisory only. However, since 2011, companies listed on the Australian Securities Exchange (ASX) have been subject to provisions that allow shareholders to escalate concerns on compensation-related matters.[3] Included in these provisions is the "two strikes" rule, which mandates that, if a company's remuneration report receives 25% or more "no" votes at two consecutive AGMs, shareholders may then vote on a resolution to hold a special meeting to re-elect the company's directors within 90 days of the last AGM (a "spill" resolution).[3] Examples of Australian companies that received high shareholder dissent — including from BIS — included **Elders Limited**, **Mineral Resources Limited** and **Perpetual Limited**. BIS did not support the remuneration reports at these companies' 2024 AGMs as, in our assessment, their compensation policies were not aligned with the long-term financial interests of BlackRock's clients. Shareholder support for the remuneration reports at the AGMs ranged between ~12% and ~32%.[4, 5, 6] Conversely, BIS voted in support of the remuneration report at **Qantas Airways Limited's** October 2024 AGM following enhancements made to its disclosure from 2023, when BIS did not vote in support of the remuneration report. The remuneration report received ~86% support from shareholders.[7]

## EMEA

During the 2024–25 proxy year, some UK companies continued to seek shareholder approval to grant larger pay packages and increase their use of time-based awards. In their disclosures, companies have stated that these updated packages enable closer alignment with compensation offered in the U.S. market, thereby improving their competitiveness in attracting and retaining global talent.

**1** Takeda Pharmaceutical Co., Ltd. "Results of the Exercise of Voting Rights of the 149th Annual General Meeting of Shareholders." June 25, 2025. **2** In the Australian market, a majority of public companies hold their annual shareholder meetings in the fourth quarter of the year. **3** Parliament of Australia. "Executive remuneration: a quick guide." September 13, 2022. **4** Elders Limited "2024 Annual General Meeting Voting Results." December 19, 2024. **5** Mineral Resources Limited. "Results of 2024 Annual General Meeting." November 21, 2024. **6** Perpetual Limited. "2024 Annual General Meeting Results." October 17, 2024. **7** Qantas Airways Limited. "Results of 2024 Annual General Meeting." October 25, 2024.

**Sage Group Plc**, a UK-listed software company, was one such company which proposed amendments to its remuneration policies at its February 2025 AGM. The company updated its program following significant growth in its business, and related efforts to ensure such policies remained competitive in the U.S. market, where a majority of its revenue is based. BIS voted in favor of the proposed amendments, which received ~81% shareholder support.[1]

In Continental European markets, pay practices and disclosures vary markedly. Our most common reasons for voting against management compensation proposals are concerns about the link between pay and performance, often as a result of unwarranted discretion applied by remuneration committees, and inadequate disclosures. For example, BIS voted to not support management's recommendation on relevant executive compensation-related items at the April 2025 AGMs of automotive manufacturers **Renault SA** and **Stellantis NV**. The relevant executive compensation items received between ~67% and ~81% shareholder support at the AGMs.[2, 3]

**1** Sage Group Plc. "Results of AGM." February 6, 2025. **2** Renault SA. "Resolutions Voting Results." April 30, 2025. **3** Stellantis NV. "Results of the Stellantis 2025 Annual General Meeting." April 15, 2025.

## Voting on material climate-related risks and opportunities in the 2024–25 proxy year

Many companies are assessing how to navigate the low-carbon transition while delivering long-term financial value to investors. As we have regularly noted in our Benchmark Policies, for companies where these climate-related risks and opportunities are material, we find it helpful when they publicly disclose, consistent with their sector and business model, how they intend to deliver long-term financial performance through the transition to a low-carbon economy.[1]

Recognizing the value of these disclosures, in some jurisdictions, like the UK, large companies must disclose such climate-related financial information on a mandatory basis, while in other jurisdictions these disclosures are viewed as best practice in the market. We do not mandate any specific disclosure framework companies should use; rather, we encourage disclosures that provide investors with insights into how companies are managing the risks associated with climate change by managing their own carbon emissions or emissions intensities to the extent financially practicable. Disclosures consistent with the International Sustainability Standards Board (ISSB) standards or the Task Force on Climate-related Financial Disclosures (TCFD) framework may help investors assess company-specific climate-related risks and opportunities, and inform investment decisions.[2]

We recognize that companies may phase in reporting aligned with the ISSB standards over several years, depending on local requirements. We also recognize that some companies may report using different local standards, which may be required by regulation, or one of a number of voluntary standards. In such cases, we ask that companies disclose their rationale for reporting in line with the specific disclosure framework chosen and highlight the metrics that are industry- or company-specific.

During the 2024-25 proxy year, BIS voted on more than 70,000 proposals categorized as director elections. We voted against 74 of these proposals globally — or 0.1% — at 62 companies because of concerns regarding inadequate disclosure or effective board oversight of climate-related risks.[3] As explained earlier in this report, independence-related concerns were the primary reason we did not support proposals categorized as director elections, globally.[4] In addition, we voted against 40 management proposals for climate reasons at 39 companies in the APAC region — primarily against the approval of board reports.[5]

Over the past several years, BIS has observed continued evolution in company disclosures related to material climate-related risks. These changes reflect both regulatory developments in various jurisdictions and shifting market practices. For example, at the May 2025 AGM of **NV Bekaert SA (Bekaert)**, a Belgian steel manufacturer, BIS supported the election of directors responsible for climate risk oversight following steps the company took to enhance its disclosures during the 2024-25 proxy year. Specifically, Bekaert provided clearer descriptions of how its board and management oversee climate-related risks and opportunities, along with a more comprehensive overview of its approach to sustainability, aligned with the European Sustainability Reporting Standards (ESRS). At the May 2024 AGM, BIS had voted against the election of the longest-tenured director, reflecting the limited visibility at the time into how the company addressed these topics.

**1** For more information on BIS' approach to this matter, please see our commentary on "Climate-related risks and the low-carbon transition." **2** In the context of climate-related reporting, the ISSB standards, specifically the IFRS S2 provide companies with a useful guide to prepare this disclosure. The standards build on the TCFD recommendations and the standards and metrics developed by the Sustainability Accounting Standards Board (SASB), which have converged under the ISSB. The IFRS S2 Climate-related disclosure standard builds on the four pillars and 11 recommendations of the TCFD. For more information, please see: IFRS. "Comparison IFRS S2 Climate-related Disclosures with the TCFD Recommendations." November 2024. **3** Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025. Refer to "Appendix II - Proposal terminology explained" for detail on the proposal types included in this category. Includes shareholder proposals voted at six APAC-based companies that are considered management proposals because they are generally filed with the consent of, or at the request of, management or a controlling shareholder. **4** Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025. **5** Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025. In the 2023-24 proxy year, we voted against 52 management proposals — in addition to those categorized as director elections — for climate reasons at 50 companies. These votes were primarily against the approval of board reports in the APAC region. Board report votes are generally advisory and relate to reports issued by the board of directors that may contain information on a company's sustainability efforts, operational resilience, or financial condition, among others.

# Shareholder proposals

In most markets, shareholders have the right to submit proposals to be voted on at a company's shareholder meeting, as long as certain requirements are met. Shareholder proposals span a wide range of topics and have varying degrees of relevance for companies across sectors, locations, and business models.

BIS takes a case-by-case approach to voting on shareholder proposals and maintains a singular focus on the proposal's implications for long-term financial value creation for shareholders. Our analysis considers whether a shareholder proposal addresses a material risk that, if left unmanaged, may impact a company's long-term financial performance. We look for consistency between the specific request formally made in the proposal, the supporting documentation, and the proponents' other communications on the issues. We take into consideration a company's governance practices and disclosures against those of their peers. BIS does not support shareholder proposals that we view as inconsistent with long-term financial value or where the intent is to micromanage companies.

BIS observed several themes that shaped voting outcomes on shareholder proposals during the 2024-25 proxy year:

**Theme 1**

## Higher shareholder support for core corporate governance matters

Governance-related shareholder proposals typically address matters affecting shareholder rights such as proposals to amend governance structures, as well as proposals on executive compensation or capital/share classification structures.[1]

Investors — including BlackRock — supported more governance shareholder proposals than proposals focused on climate and natural capital (environmental) or company impacts on people (social).[2] Median market support for governance-related shareholder proposals globally was ~35%.[3] Many of the proposals BIS supported focused on strengthening the rights of minority shareholders, such as those requesting the adoption of simple majority voting.

**Theme 2**

## The number of environmental and social proposals filed at U.S. companies declined, and those proposals continued to receive low market support

As in previous years, BIS voted a large volume of shareholder proposals in the U.S. market. While the volume of governance-related proposals remained similar to prior years, following three years of steady growth, the number of proposals focused on climate and natural capital (environmental) and company impacts on people (social) appearing on company ballots decreased this proxy year, with BIS voting on

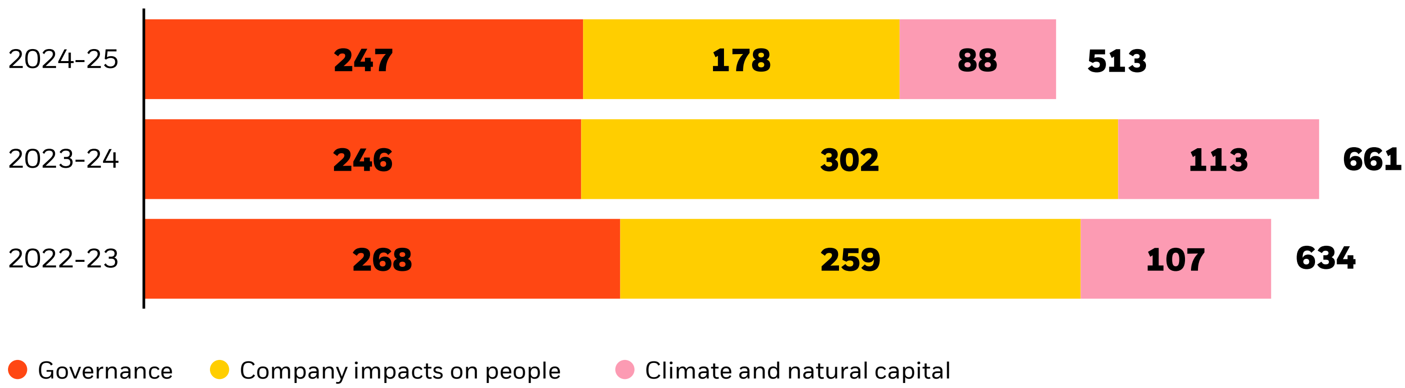
**1** For example, amendments to a company's articles of incorporation (AOI), bylaws, constitution, or board committee charters. **2** Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from January 1, 2025, through June 30, 2025. Reflects vote instructions on climate and natural capital, and company impacts on people shareholder proposals per BIS' proposal taxonomy. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market. Proposals related to matters beyond core governance issues are typically categorized in the market as environmental or social proposals. We consider these to be sustainability-related issues and generally categorize them in accordance with our engagement priorities, i.e., "climate and natural capital" and "company impacts on people" (a company's employees, its broader value chain, or the communities in which it operates). **3** Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market.

~36% fewer of such proposals in the U.S. compared to last year.[1] This was driven in part by a decrease in proposals filed by advocacy groups.

Another portion of this reduction may be attributed to updated U.S. SEC guidance for reviewing “no action relief” requests.[2] Following this guidance, there was an increase in the number of relief requests made to the SEC. While the SEC granted relief to a similar proportion of company requests compared to last year, the increased number of requests led to an increase in the number of proposals receiving relief. At the same time, the number of proposals voluntarily withdrawn also decreased.[3]

Like last year, environmental and social shareholder proposals in the U.S. market received low market support (median shareholder support of ~10%). Notably, ~88% of the 266 proposals were opposed by more than 75% of the votes shareholders cast.

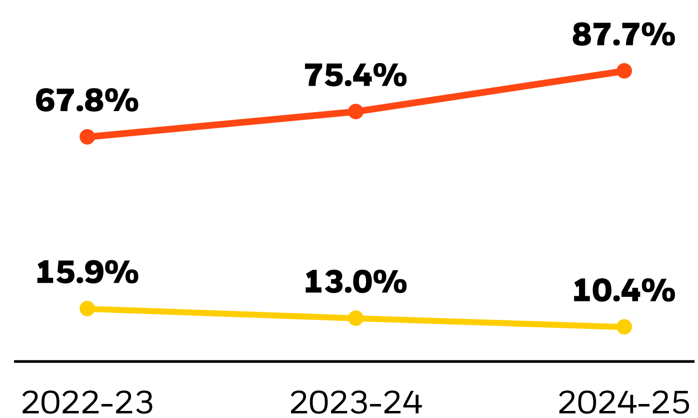
## U.S. shareholder proposals by proxy year




Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data by proxy year, i.e., running from July 1 through June 30 each year. Includes only governance, climate and natural capital, and company impacts on people shareholder proposals per BIS' proposal taxonomy.

## Decreasing shareholder support for proposals in the U.S.

**Measured in median market support for U.S. environmental and social-related shareholder proposals that went to a final vote and % of these proposals receiving at least 75% market opposition.**




- % of proposals receiving strong opposition
- Median market support

Source: BlackRock, ISS. Measured in median shareholder support, rounded to the nearest tenth, for U.S. climate and natural capital, and company impacts on people-related shareholder proposals that went to a final vote. Includes ISS data only for companies that have disclosed shareholder meeting results. Sourced on July 23, 2025, reflecting data by proxy year, i.e., running from July 1 through June 30 each year. BIS defines strong opposition to a proposal as having received at least 75% opposition from shareholders. A proposal has received majority support if more than 50% of shares voted were “for.”

**1** Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from January 1, 2025, through June 30, 2025. Reflects vote instructions on climate and natural capital, and company impacts on people shareholder proposals per BIS' proposal taxonomy. Proposals related to matters beyond core governance issues are typically categorized in the market as environmental or social proposals. We consider these to be sustainability-related issues and generally categorize them in accordance with our engagement priorities, i.e., “climate and natural capital” and “company impacts on people” (a company's employees, its broader value chain, or the communities in which it operates). **2** In November 2021, the U.S. SEC issued guidance that broadened the scope of permissible proposals to those that address “significant social policy issues,” effectively enabling more shareholder proposals to appear on company ballots (See: U.S. SEC. “Staff Legal Bulletin No. 14L.” November 3, 2021). This, in part, contributed to the increase in the total number of shareholder proposals filed at U.S. listed companies in recent years. In February 2025, the SEC issued updated guidance rescinding the 2021 guidance (See: U.S. SEC “Staff Legal Bulletin No. 14M.” February 12, 2025). **3** Proponents may withdraw their proposals following a successful negotiation with the company. Source: ISS Shareholder Proponent Database; SEC 14a8 No Action Relief Response website. **4** Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data by proxy year, i.e., running from July 1 through June 30 each year. Includes only climate and natural capital, and company impacts on people shareholder proposals per BIS' proposal taxonomy.

Theme 3

## Shareholder proposals seeking to roll back company efforts to address material sustainability-related risks continue to receive low support

During the 2024-25 proxy year, there continued to be a considerable number of shareholder proposals seeking to roll back company efforts to address material sustainability-related risks. In the U.S., about one in four environmental and social shareholder proposals submitted to a vote sought these actions.

We determined that these proposals were overly prescriptive or lacked economic merit, and we did not support any of the 69 proposals on this matter globally during the 2024-25 proxy year.[1] In our analysis, we considered each company's policies, practices, and disclosures, as well as the balance between the costs and benefits of addressing the business risk, the merits of the proponent's request, and long-term financial value creation for BlackRock's clients. Median market support for these proposals remained low at ~1.2%.[1]

Theme 4

## Shareholder proposals focused on corporate political activities declined year over year

Shareholder proposals requesting additional disclosure and/or oversight of corporate political activities are among the most commonly filed. During the 2024-25 proxy year, the volume of proposals related to corporate political activities fell by more than half: BIS voted on 40 of these proposals, compared to 89 in 2023-24.[2]

BIS does not tell companies which policy positions they should take, or how to conduct such activities, including how they should shape their trade association memberships. Instead, we encourage companies to provide investors with disclosures that clarify the governance processes supporting board oversight of these activities, as well as the link between companies' stated strategic policy priorities and their approach to political activities, including participation in industry associations.

**1** Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025. **2** Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data by proxy year, i.e., running from July 1 through June 30 each year. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market. Corporate political activities may include lobbying as defined by local regulations, engagement with public officials with the intent to influence legislation or regulation and activities related to the election of policymakers.

## How we voted on shareholder proposals globally

BIS supported ~11% of shareholder proposals in the 2024-25 proxy year (81 out of 764). Consistent with last year, the greatest portion of shareholder proposals BIS supported addressed corporate governance matters, where we supported ~18% (74 out of 406). As mentioned above, many of these proposals we supported focused on strengthening the rights of minority shareholders, such as those requesting the adoption of simple majority voting.

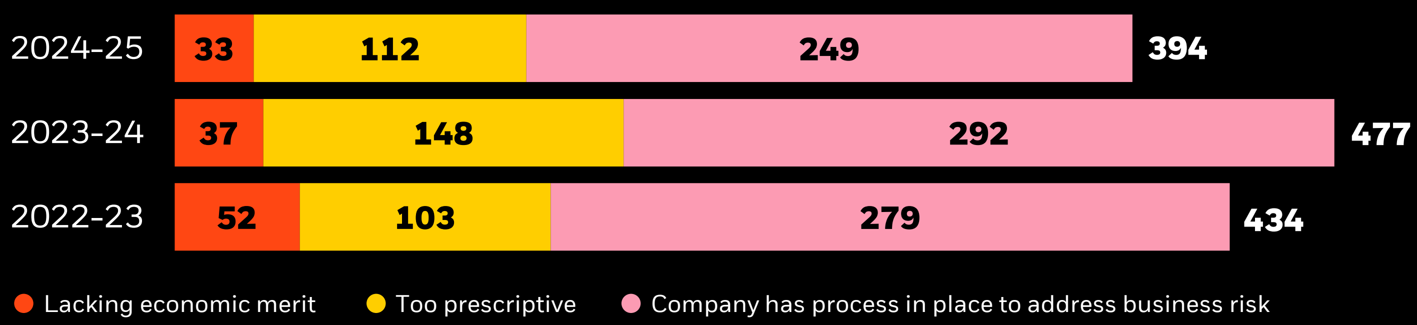
We again found that many shareholder proposals focused on topics related to climate and natural capital, and company impacts on people were over-reaching, lacked economic merit, or sought outcomes that were unlikely to promote long-term financial value. The majority also addressed business risks that companies already had processes in place to address, making them redundant. As a result, we supported seven out of 358 of these proposals.

## BIS' voting decisions on behalf of clients on shareholder proposals during the 2024-25 proxy year

| | For | Against | Total |
|---|---|---|---|
| Governance | 74 | 332 | 406 |
| Company impacts on people | 5 | 224 | 229 |
| Climate and natural capital | 2 | 127 | 129 |
| **Total** | **81** | **683** | **764** |

Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025. Reflects vote instructions on governance, climate and natural capital, and company impacts on people shareholder proposals per BIS' proposal taxonomy. Votes "for" include abstentions. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market.

## Reasons BIS did not support climate and natural capital, and company impacts on people shareholder proposals globally




Source: BlackRock, ISS. Sourced on July 23, 2025, reflecting data by proxy year, i.e., running from July 1 through June 30 each year. Reflects vote instructions on governance, climate and natural capital, and company impacts on people shareholder proposals per BIS' proposal taxonomy. Votes "for" include abstentions. Excludes the Japanese market, where numerous shareholder proposals are filed every year due to low filing barriers, and where shareholder proposals are often legally binding for directors in this market.

Case studies

## Governance

During the 2024-25 proxy year, shareholder proposals were filed at several U.S. companies seeking to amend their bylaws to remove a provision to require that shares be held continuously for at least one year in order to count towards the applicable ownership threshold to exercise the right to call a special meeting. Examples of these companies include **The Cigna Group**, **Quest Diagnostics Incorporated**, and **Thermo Fisher Scientific Inc.** BIS did not support these shareholder proposals at their 2025 AGMs. Shareholder support for the proposals ranged from ~7% to ~12%.[1, 2, 3] In BIS' view, the one-year holding requirement to call a special meeting of shareholders is a reasonable safeguard against the ineffective use of corporate resources, as well as the risk that a special meeting may be called by shareholders who have amassed the required threshold of shares in a relatively short period of time to advance interests that may conflict with those of long-term shareholders.

## Climate and natural capital

With regard to shareholder proposals addressing climate and natural capital-related risks and opportunities, a significant percentage were overly prescriptive or focused on business risks that companies already had processes in place to address, making them redundant. An example of this was at **Equinor ASA (Equinor)**, a Norwegian energy company that included several climate and natural capital-related shareholder proposals in its May 2025 AGM agenda.[4] Two proposals requested that the company shut down its wind power business. BIS voted against these two proposals as, in our view, they lacked economic merit and would have been overly prescriptive to management's decision making. Another requested that Equinor disclose whether its energy production strategy is consistent with the expectations of the Norwegian State as the significant shareholder in the company, concerning certain efforts to reduce greenhouse gas emissions. In response to this proposal, the company stated that it does not see any misalignments as it relates to this matter between itself and the perspectives of its major shareholders. In BIS' assessment, the proposal would be overly prescriptive to management's decision making. Under BIS' Benchmark Policies, we did not support this shareholder proposal or any other shareholder proposal at Equinor — at the May 2025 AGM; support ranged from ~0.1% to ~4%.[5]

**1** The Cigna Group. "Form 8-K." April 22, 2025. **2** Quest Diagnostics Incorporated. "Form 8-K." May 15, 2025. **3** Thermo Fisher Scientific Inc. "Form 8-K." May 28, 2025. **4** Equinor ASA. "Proposals from shareholders and response from the board of directors." 2025. **5** Equinor ASA. "Minutes of the Annual General Meeting of Equinor ASA." May 14, 2025.

An additional example of climate-related shareholder proposals being included at energy companies' shareholder meetings is **Shell plc (Shell)**, an energy company headquartered in the UK, with operations in more than 70 countries around the world. On the agenda at Shell's May 2025 AGM was a shareholder proposal requesting that Shell discloses "whether and how its demand forecast for liquified natural gas (LNG); LNG production and sales targets; and new capital expenditure in natural gas assets; are consistent with its climate commitments, including its target to reach net zero emissions by 2050."[1] Under BIS' Benchmark Policies, we did not support the shareholder proposal at the May 2025 AGM. In our analysis, Shell's disclosure is already sufficiently robust, allowing investors to understand how it is managing material climate-related risks and opportunities that might impact its long-term financial performance. The shareholder proposal received approximately ~21% support.[2]

During the 2024-25 proxy year, certain large technology companies received shareholder proposals requesting disclosure on how investments they have made in artificial intelligence (AI) comport with previously communicated climate-related ambitions. On the agenda at **Amazon.com, Inc.'s (Amazon)** May 2025 AGM was a shareholder proposal requesting that "Amazon issue a report explaining how it will meet the climate change-related commitments it has made on greenhouse gas emissions, given the massively growing energy demand from artificial intelligence and data centers that Amazon is planning to build."[3] Under BIS' Benchmark Policies, we did not support the shareholder proposal as in our assessment, the company regularly discloses information on this matter, including its efforts to integrate AI-related infrastructure into its climate-related strategy. The shareholder proposal received approximately 20% support.[4]

## Company impacts on people

In recent years, companies in various sectors have highlighted advancements in deploying AI in their businesses as both a material driver of opportunity and risk. BIS has voted on several shareholder proposals requesting companies to report on, and assess the impact of, their use of AI. An example of this was at **Alphabet, Inc. (Alphabet)**, a multinational communications services company, which included a shareholder proposal in the agenda at its June 2025 AGM requesting that the company conduct an independent human rights impact assessment (HRIA) related to AI-driven targeted advertising policies.[5]

**1** Shell plc. "Notice of Annual General Meeting." March 25, 2025. **2** Shell plc. "Results of Annual General Meeting." May 20, 2025. **3** Amazon.com, Inc. "Notice of 2025 Annual Meeting of Shareholders & Proxy Statement." May 21, 2025. **4** Amazon.com, Inc. "Form 8-K." May 21, 2025. **5** Alphabet, Inc. "Notice of 2025 Annual Meeting of Stockholders and Proxy Statement." April 25, 2025.

BIS supported a similar proposal at Alphabet's June 2024 AGM given our assessment that the independent HRIA would help investors understand the effectiveness of the human rights due diligence carried out by Alphabet in relation to this material operational risk. Following changes to the company's AI-related disclosures during the 2024-25 proxy year — including the publication of updated safety frameworks — as well as its annually published advertising safety report, BIS did not support the shareholder proposal at the June 2025 AGM which received ~14% support from shareholders.[1]

In the 2024-25 proxy year, some shareholder proposals sought to address company impacts on people through shareholder-directed decisions on issues related to human capital management and corporate strategy. An example of this was at **HCA Healthcare, Inc. (HCA Healthcare)**, a U.S.-based health care services company, which included two shareholder proposals on such matters at its April 2025 AGM.[2] The first proposal requested that the board of directors amend the committee charter for one of HCA Healthcare's board committees that is responsible for patient safety and quality of care to require a review of the impact of staffing levels on patient safety, quality of patient care and patient satisfaction metrics. The second proposal requested that the board of directors publish a report describing the health care impacts of HCA Healthcare's acquisition strategy over the past ten years on the communities in which it operates. BIS supported neither proposal at the April 2025 AGM as, in our assessment, they made requests where the company already had policies in place to address the proponent's request or were overly prescriptive. In the case of the first proposal, the company's board committee was already empowered to review any matters that could impact patient safety, quality of care and patient safety metrics, including staffing levels. In the case of the second proposal, the central subject matter fell under the strategic decision making and oversight roles of HCA Healthcare's management team and board. The proposals received, respectively, ~10% and ~ 12% support from shareholders at the April 2025 AGM.[2]

**1** Alphabet, Inc. "Form 8-K." June 6, 2025. **2** HCA Healthcare, Inc. "Form 8-K." April 29, 2025.

# Expanding stewardship choice

## BlackRock Voting Choice

Launched in January 2022, BlackRock Voting Choice — sometimes known as pass-through voting — provides eligible clients with more opportunities to participate in the proxy voting process, where legally and operationally viable.[1] Since then, BlackRock has continued to expand Voting Choice by extending the pool of eligible client assets that can participate and expanding the range of voting policies from which clients can choose.

For eligible global institutional clients, in July 2024 we added Egan-Jones as the third voting policy provider on our BlackRock Voting Choice platform.[2] With the addition of Egan-Jones' voting guidelines, eligible institutional clients have access to 16 distinct voting guidelines from three voting policy providers, in addition to BIS' Benchmark Policies. Additionally, institutional clients with separately managed accounts (SMA) may implement custom voting guidelines reflecting their investment goals and preferences. In 2025, we expanded BlackRock Voting Choice to eligible clients in select Swiss-domiciled funds, adding to existing availability in funds in the U.S., Canada, Ireland, and the UK.

For eligible U.S. retail shareholders, in February 2024, we launched a pilot program to make BlackRock Voting Choice available for our largest ETF for the first time. In early 2025, we formalized this innovative program and announced the inclusion of the Egan-Jones's Wealth-Focused Policy as a third-party voting policy provider, expanding the available proxy voting policy options to eligible shareholders in the U.S. from seven to eight.

As of June 30, 2025, $3.3 trillion of BlackRock's $6.9 trillion total index equity AUM are eligible to participate in BlackRock Voting Choice, where legally and operationally viable, with clients representing ~$784 billion in index equity AUM exercising this option.[3]

## Stewardship for funds with explicit climate and decarbonization objectives

Some of our clients are pursuing decarbonization as an investment objective, including many of our largest European clients, who have made net zero commitments.[4] To support our clients' unique and varied investment objectives, BlackRock offers a wide range of investment products and strategies that our clients may choose from, including those with explicit decarbonization or climate-related investment objectives.

In July 2024, we launched the Climate and Decarbonization Stewardship program, and the applicable proxy voting Guidelines.

The Guidelines only apply to those funds that BlackRock offers to clients that have climate and decarbonization investment objectives where the funds' respective governing body has explicitly approved the application of the Guidelines.[5] SMA clients have several stewardship options, including instructing BlackRock to apply the Guidelines to their SMA holdings.

As of June 30, 2025, total funds and SMAs that have chosen to apply the Guidelines represent $158 billion of client index equity AUM, or approximately 2% of our clients' total public equity AUM.[6]

**1** BlackRock will determine eligibility criteria under this program based upon, among other things, local market regulation and practice, cost considerations, operational risk and/or complexity, and financial considerations, including the decision to lend securities. **2** The three proxy advisors are Egan-Jones, Glass Lewis, and ISS. **3** Source: BlackRock. Client funds participating in BlackRock Voting Choice are as of June 30, 2025. Assets include index equity assets held in multi-asset fund of funds strategies. **4** Includes a select group of our largest client relationships. Net zero commitments are sourced from the Glasgow Financial Alliance for Net Zero website and respective company websites, as of January 2025. **5** A list of approved funds is on BlackRock's website here. **6** AUM includes in-scope index equity funds and SMAs where proxy voting is administered by BIS as of June 30, 2025. BAIS separately administers proxy voting activities for its respective in-scope strategies. The total program applying the Guidelines represents $203 billion of client AUM, or approximately 3% of our clients' total public equity AUM.

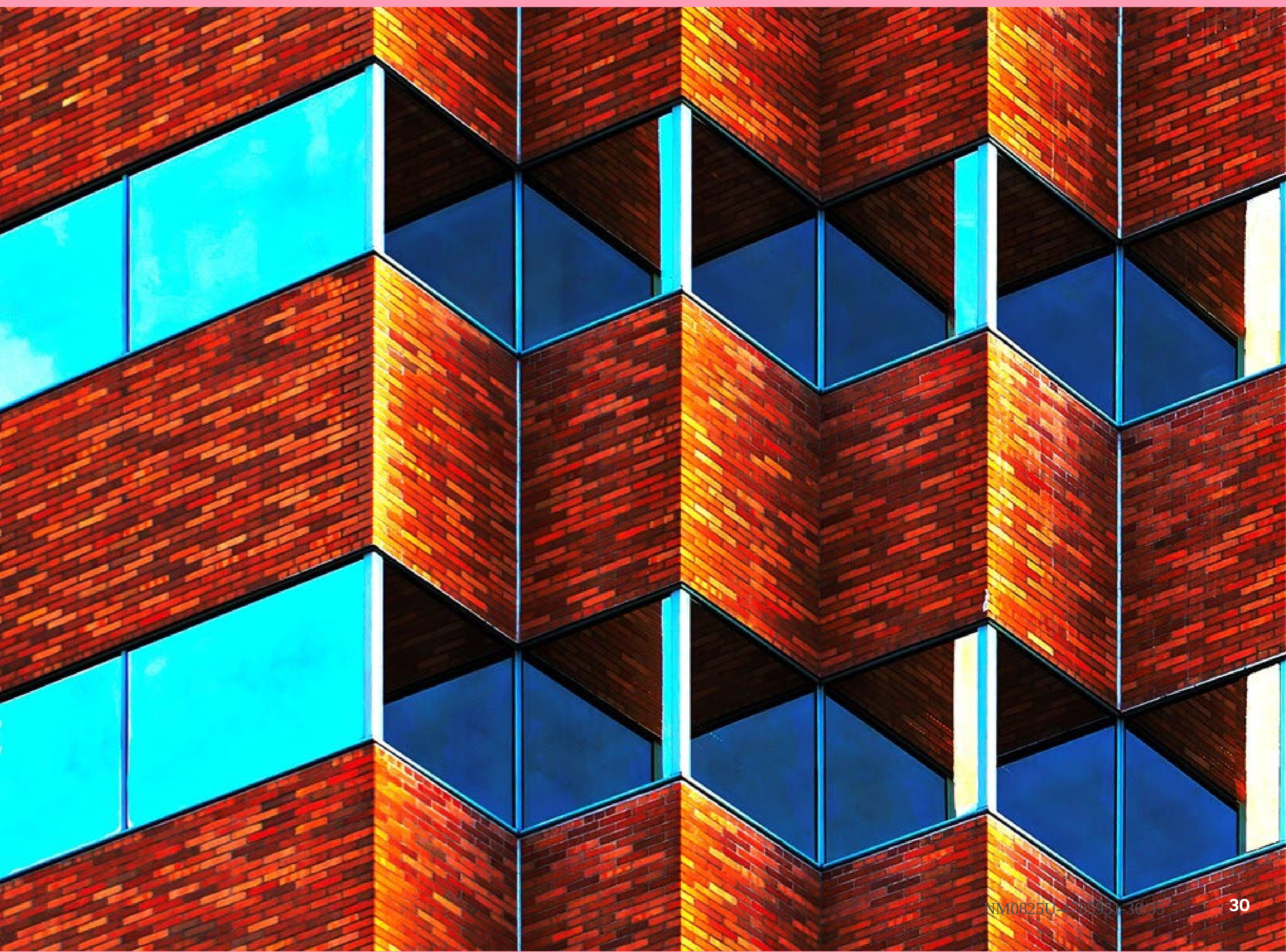
# Parting thoughts

This report demonstrates how we undertake our stewardship activities under our Benchmark Policies on behalf of clients who have entrusted us with this important responsibility.

We did this through listening to, learning from, and engaging with, companies to understand how they are managing material business risks and opportunities.

Where our clients entrusted us to vote on their behalf as their fiduciary, we did so through independent, detailed analysis to inform our voting decisions.

In the 2025-26 proxy year, we look forward to continuing to do so to advance our clients' long-term financial interests. We also remain committed to providing clients with a range of investment product choices to support their individual investment goals and preferences.



# Appendix

## Appendix I

Voting statistics

| | | Americas | EMEA | APAC | Global total |
|---|---|---|---|---|---|
| **Management proposals** | | | | | |
| **Director elections** | Support management | 25,677 | 13,049 | 23,480 | **62,206** |
| | Not support management | 1,751 | 2,399 | 2,427 | **6,577** |
| **Board-related** | Support management | 654 | 2,085 | 2,858 | **5,597** |
| | Not support management | 111 | 522 | 436 | **1,069** |
| **Compensation** | Support management | 4,932 | 5,083 | 4,628 | **14,643** |
| | Not support management | 491 | 1,333 | 1,007 | **2,831** |
| **Capital structure** | Support management | 1,251 | 6,847 | 8,414 | **16,512** |
| | Not support management | 73 | 307 | 1,024 | **1,404** |
| **Strategic transactions** | Support management | 465 | 1,298 | 3,425 | **5,188** |
| | Not support management | 33 | 172 | 1,029 | **1,234** |
| **Takeover defense** | Support management | 285 | 535 | 76 | **896** |
| | Not support management | 23 | 30 | 42 | **95** |
| **Auditor** | Support management | 4,256 | 2,946 | 2,575 | **9,777** |
| | Not support management | 1 | 211 | 38 | **250** |
| **Mutual funds** | Support management | 70 | 59 | 0 | **129** |
| | Not support management | 0 | 0 | 0 | **0** |
| **Climate and natural capital** | Support management | 2 | 20 | 3 | **25** |
| | Not support management | 0 | 0 | 0 | **0** |
| **Company impacts on people** | Support management | 15 | 480 | 18 | **513** |
| | Not support management | 0 | 74 | 13 | **87** |
| **Other** | Support management | 1,366 | 6,919 | 8,937 | **17,222** |
| | Not support management | 686 | 846 | 821 | **2,353** |

Source: BlackRock, ISS. Sourced on July 23, 2025. Reflecting data from July 1, 2024, to June 30, 2025. Reflects BIS' proposal taxonomy. "Support" means BIS voted in alignment with management's voting recommendations. "Not support" means BIS voted differently from management's voting recommendations.

# Appendix I

## Voting statistics

| | | Americas | EMEA | APAC ex Japan | Japan | Global total |
|---|---|---|---|---|---|---|
| **Shareholder proposals** | | | | | | |
| **Governance** | Support management | 221 | 144 | 256 | 241 | **862** |
| | Not support management | 46 | 12 | 53 | 21 | **132** |
| **Climate and natural capital** | Support management | 209 | 10 | 5 | 2 | **226** |
| | Not support management | 5 | 0 | 0 | 0 | **5** |
| **Company impacts on people** | Support management | 113 | 10 | 4 | 47 | **174** |
| | Not support management | 2 | 0 | 0 | 0 | **2** |
| **Board-related** | Support management | 63 | 70 | 172 | 1 | **306** |
| | Not support management | 7 | 24 | 7 | 0 | **38** |
| **Director elections** | Support management | 91 | 160 | 896 | 74 | **1,221** |
| | Not support management | 21 | 82 | 55 | 1 | **159** |
| **Other** | Support management | 10 | 62 | 109 | 4 | **185** |
| | Not support management | 0 | 37 | 48 | 4 | **89** |

Source: BlackRock, ISS. Sourced on July 23, 2025. Reflecting data from July 1, 2024, to June 30, 2025. Reflects BIS' proposal taxonomy. "Support" means BIS voted in alignment with management's voting recommendations. "Not support" means BIS voted differently from management's voting recommendations.

# Appendix II

## BIS proposal terminology explained

Proxy voting data reflects BIS' management and shareholder proposal categories in alignment with BIS' proposal taxonomy. BIS' proposal taxonomy is a comprehensive representation of BIS' proxy voting activity on behalf of clients, built in response to their informational and reporting needs.

### Management Proposals

**Auditor**
Proposals related to the appointment and compensation of external auditors serving corporations.

**Board-related**
A category of management originated, board — related proposals (excluding director elections), pertaining to advisory board matters, alternate and deputy directors, board policies, board committees, board composition, among others.

**Capital Structure**
Generally involves authorizations for debt or equity issuances, dividends and buybacks, stock splits, and conversions of securities.

**Climate and natural capital**
Includes management originated proposals related to environmental issues, such as proposals to approve a company's climate action plan, commonly referred to as "Say on climate."

**Company impacts on people**
Includes management originated proposals relating to a range of social issues such as corporate social responsibility and approving corporate donations, among others.

**Compensation**
Proposals concerning executive compensation policies and reports (including Say on Pay, Say on Pay Frequency, and approving individual grants), director compensation, equity compensation plans, and golden parachutes.

**Director election**
A category of management originated proposals which includes the election, discharge, and dismissal of directors.

**Mutual Funds**
Proposals related to investment management agreements and the structure of mutual funds.

**Other**
Covers an assortment of common management originated proposals, including formal approvals of reports, name changes, and technical bylaws, among many others.

**Strategic transactions**
Involves significant transactions requiring shareholder approval like divestment, mergers and acquisition, and investment.

**Takeover defense**
Proposals concerning shareholder rights, the adoption of "poison pills," and thresholds for approval, among others.

# Appendix II

BIS proposal terminology explained

## Shareholder proposals

**Board-related**
A category of shareholder originated, board-related proposals (excluding director elections), pertaining to advisory board matters, alternate and deputy directors, board policies, board committees, board composition, among others.

**Climate and natural capital**
Covers shareholder originated proposals relating to reports on climate risk, emissions, natural capital, and sustainability, among others.

**Company impacts on people**
Includes shareholder originated proposals relating to a range of social issues such as reports on human capital management and human rights, among others.

**Director-election**
A category of shareholder originated proposals which includes the election, discharge, and dismissal of directors.

**Governance**
Generally involves key corporate governance matters affecting shareholder rights including governance mechanisms and related article/bylaw amendments, as well as proposals on compensation. Includes shareholder proposals customary in certain markets that are generally endorsed or unopposed by management.

**Other**
Includes non-routine procedural items and other voting matters

## Want to know more?

https://www.blackrock.com/stewardship

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