

SUPERANNUATION VOTING TRANSPARENCY REPORT

1. Name of asset owner/ fund manager & fund name chosen to assist with queries below:

BlackRock Australia is the local operation of the US listed global asset manager.

2. Brief Description of Asset Owner

Listed asset manager.

3. Funds Under Management: \$100+ Billion as at Feb, 2018 (in Australia)

URL: <https://www.blackrock.com/institutions/en-au/about-us>

4. Memberships

Association	Membership
UNPRI	Yes
FSC	Yes
RIAA	Yes
ACSI	No

5. Do they publically disclose a clear policy on how ESG issues are incorporated in all of their equity investment activities (i.e not just for SRI funds?) and do they screen any particular industry?

BlackRock states that “ESG considerations are integral to our investment stewardship activities”. BlackRock does not have a separate policy in regards to ESG issues but do cover some ESG issues within its corporate governance and proxy voting guidelines for Australian Securities. In this guide BlackRock explains in detail the expectations that it has for the listed companies that it invests in, with regards to matters such as Diversity (mainly gender equality) and Remuneration and how these matters influence their investment decision/voting activity. Where a listed company has a diversity policy, Blackrock expects the company to disclose “percentage of women on the board”, “percentage of women in senior executive roles” and how the diversity policy is beneficial to the company when making investment decisions. When investing in companies, Blackrock assess executive remuneration and details the factors that it takes into account such as length of contracts, change of control provisions and short term incentives. It states that “BlackRock may consider voting against a remuneration report where there is a significant mismatch between performance and executive remuneration rewards.”

URL:

<https://www.blackrock.com/corporate/about-us/investment-stewardship>
<https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-1engprinciples-global-122011.pdf>

<https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-guidelines-australia.pdf> (p.g. 6 & 12)

Score (2.25 out of 3) (1 for policy, 1 for statement of attitude to G issues, 0.25 per statement of attitude to diversity issues.)

6. Do they publicly disclose their voting record for either or both their ASX and international holdings?

Both International and Domestic voting records are disclosed annually with approximately 6 months of lag, Voting Rationales were given for all votes below against management and abstentions, with the exception of the vote at the Wells Fargo & Company. iShares Wholesale Australian Equity Index Fund Proxy Voting Report and iShares Wholesale International Equity Index Fund Proxy Voting Report were used as Flagship funds for the voting records.¹

URL:

<https://www.blackrock.com/au/individual/about-blackrock/investment-stewardship>

Score (4 out of 5)

7. DOMESTIC VOTING

January to June 2017 ASX						
	Theme of Proposal	For	Against	Abstain	Not Holding	Score
Oil Search	Climate Change item no.7		X			-1
	Human rights		X			-1
Santos	Amendment of Constitution item no.5a.		X			-1
	Climate Change item no.5b. (Strategic Resilience for 2035 and Beyond)		X			-1
URL: (Max score 4)Total						-4

¹ The Preventable Surprises Missing 55 report describes the international voting record of multiple BlackRock funds on each of the international climate change resolutions described below. All funds voted against all 9 resolutions.

8. INTERNATIONAL VOTING

International 2017 Resolutions						
	Theme of Proposal	For	Against	Abstain	Not Holding	Score
The AES Corporation	Climate Change		X			-1
Ameren (item 6.)	Climate Change		X			-1
Dominion (item 8.)	Climate Change		X			-1
DTE (item 5.)	Climate Change		X			-1
Duke Energy Corporation (item 7.)	Climate Change		X			-1
FirstEnergy (item 10.)	Climate Change		X			-1
PNM	Climate Change		X			-1
PPL (item 6.)	Climate Change		X			-1
The Southern Company (item 6.)	Climate Change		X			-1
AT&T (item 5)	Political Expenditure		X			-1
Alphabet Inc (item 8)	Political Expenditure		X			-1
Wells Fargo (item 5)	Consumer Rights (Retail Banking Sales Practices Report)		X			-1
UK Royal Dutch Shell (item 21)	Climate Change (GHG Reduction Targets)		X			-1
UK Sports Direct (item 19)	Human Capital Management (2016)				X	0
(Max score 14) Total						-13

9. LAGGING

DOMESTIC RECORDS			
	Yes	No	Score
2017 Records available within 2 months of 2017 financial/calendar year end		X	0
Records available for current year to date, no more than two months ago available		X	0
June 2016 Records are available		X	0
(Max score 6) Total			0

INTERNATIONAL RECORDS			
	Yes	No	Score
2017 Records available within 2 months of 2017 financial/calendar year end		X	0
Records available for current year to date, no more than two months ago available		X	0
June 2016 Records are available		X	0
(Max score 6) Total			0

10. Proxy Advisor used:

N/A

11. Since June 2015 has the Fund lead filed or co-filed any ESG related shareholder resolutions at ASX 100 listed companies?

Not to the knowledge of ACCR.

12. Prose:

BlackRock has provided evidence of a clear policy in regards to ESG issues. Particular issues focused on include workplace diversity, gender equality and executive remuneration. BlackRock explains in detail how it takes into account these factors and how these factors influence its voting decisions.

Domestically, we checked 2 chances BlackRock has had to support Climate Change response resolutions, it did not support either as recorded in its Proxy Voting Summary for the time period FY2016/17.

A range of international shareholder resolutions have been recorded to indicate the international proxy voting of BlackRock. Due to the scale of this international market, a few resolutions put to large companies concerning key issues such as climate change, human rights and political spending were chosen. These resolutions were chosen as reflective because they attracted reasonable support.

Ten 2017 resolutions associated with climate change and the prevention of global warming were chosen. BlackRock did not support any of these ten resolutions. Two resolutions concerning political expenditure were chosen to help indicate the fund's stance on this issue; BlackRock voted against both. Finally, two resolutions concerned with human rights or consumer rights in the 2016/2017 period were considered. BlackRock voted against on the one chance it had to vote.

NOTES