

RI TRANSPARENCY REPORT

2020

BlackRock

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the reporting period specified above. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information.

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Usage restrictions

Public Transparency Reports are the intellectual property of PRI. Under no circumstances, can this report or any of its contents be sold to third parties.

OO 01.1 Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 01.2 Additional information. [Optional]

BlackRock is a global leader in investment management, risk management and advisory services for institutional and retail clients. At December 31, 2019, BlackRock's AUM was \$7.4 trillion. BlackRock helps clients around the world meet their goals and overcome challenges with a range of products that include separate accounts, mutual funds, iShares® (exchange-traded funds), and other pooled investment vehicles. BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through BlackRock Solutions®. As of December 31, 2019, the firm had approximately 15,000 employees in more than 30 countries and a major presence in global markets, including North and South America, Europe, Asia, Australia and the Middle East and Africa. For additional information, please visit the Company's website at www.blackrock.com.

OO 02.1 Select the location of your organisation's headquarters.

United States

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

15000

OO 02.4 Additional information. [Optional]

BlackRock has world-class capabilities designed to meet our clients' needs, with a comprehensive range of products and services across asset classes, geographies and investment strategies. We have expertise in every region around the world, with over 130 investment teams in 30 countries sharing their best thinking in order to seek better returns.

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04.1 Indicate the year end date for your reporting year.

31/12/2019

OO 04.2 Indicate your total AUM at the end of your reporting year.

Total AUM
 7,427,863,000,000 USD
 7427863000000 USD

OO 04.4 Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Assets under execution and/or advisory only services

1,770,000,000 USD

1770000000 USD

OO 05

Mandatory to Report, Voluntary to Disclose

Gateway

General

OO 05.1

Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies:

	Internally managed (%)	Externally managed (%)
Listed equity	30.16	1
Fixed income	50.42	1
Private equity	0.08	0.15
Property	0.33	0
Infrastructure	0.2	0.06
Commodities	0.53	0
Hedge funds	0.4	0.09
Fund of hedge funds	0	0.31
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	7.35	0
Other (1), specify	7.6	0.3
Other (2), specify	0	0.02

Internally managed `Other (1)` description

Multi-asset, other alternatives (solutions, credit, currency)

Externally managed `Other (1)` description

Infrastructure Solutions

Externally managed `Other (2)` description

Advisory

OO 06

Mandatory

Descriptive

General

OO 06.1

Select how you would like to disclose your asset class mix.

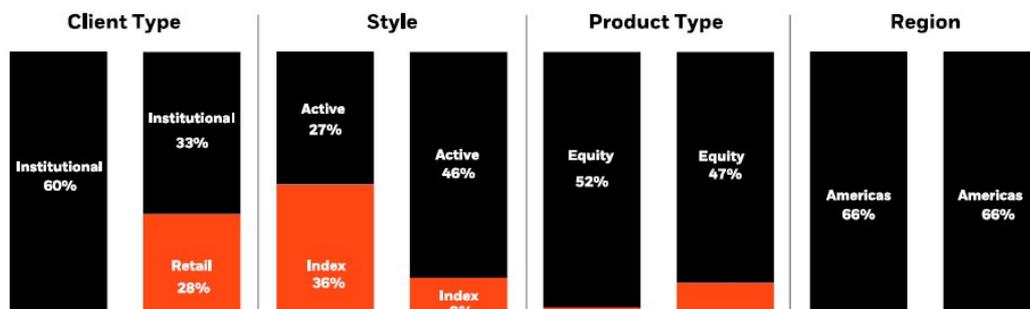
- as percentage breakdown
- as broad ranges

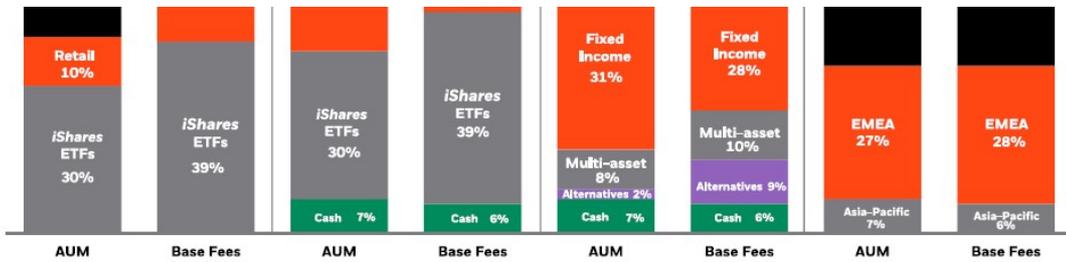
OO 06.2

Publish asset class mix as per attached image [Optional].

A broadly diversified business across clients, products and geographies

Assets Under Management of \$7.43 trillion at December 31, 2019
Q4 2019 Total Base Fees of \$3.089 billion





Note: Base Fees and AUM by region data is based on client domicile.

OO 06.3 Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

OO 06.5 Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

OO 06.6 Provide contextual information on your AUM asset class split. [Optional]

BlackRock manages 100% of assets internally, and does not have any externally managed assets. However, because the PRI reporting tool requires externally managed assets to enable reporting of our manager selection activities under the SAM module, we have elected to identify our Client Portfolio Solutions, Private Equity Partners, BlackRock Alternative Advisors, and Infrastructure Solutions businesses as externally managed.

OO 07 Mandatory to Report, Voluntary to Disclose Gateway General

OO 07.1 Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

Management Type	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Internally managed	50	11	28	11
Externally managed	50	11	28	11

OO 08 Mandatory to Report, Voluntary to Disclose Peering General

OO 08.1 Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds or investments.

Asset class breakdown	Segregated mandate(s)	Pooled fund(s) or pooled investment(s)	Total of the asset class (each row adds up to 100%)										
[a] Listed equity	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%	100%										
[b] Fixed income - SSA	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%	100%										

[c] Fixed income – Corporate (financial)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	100%																	
[d] Fixed income – Corporate (non-financial)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	100%																	
[e] Fixed income – Securitised	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	100%																	
[f] Private equity	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	100%																	
[h] Infrastructure	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	100%																	
[j] Hedge funds	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	100%																	
[j] Fund of hedge funds	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	100%																	
[p] Other (1), specify	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	100%																	
[q] Other (2), specify	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	100%																	

OO 09	Mandatory	Peering	General
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OO 09.1	Indicate the breakdown of your organisation's AUM by market.
95.7	Developed Markets
2	Emerging Markets
0.6	Frontier Markets
1.7	Other Markets

OO 10	Mandatory	Gateway	General
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OO 10.1	Select the active ownership activities your organisation implemented in the reporting year.
	Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We require our external managers to vote on our behalf.
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with SSA bond issuers on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (securitised) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11

Mandatory

Gateway

General

OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - securitised

- We address ESG incorporation.
- We do not do ESG incorporation.

Private equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Property

- We address ESG incorporation.
- We do not do ESG incorporation.

Infrastructure

- We address ESG incorporation.
- We do not do ESG incorporation.

Commodities	<input type="radio"/> We address ESG incorporation. <input checked="" type="radio"/> We do not do ESG incorporation.
Hedge funds	<input checked="" type="radio"/> We address ESG incorporation. <input type="radio"/> We do not do ESG incorporation.
Money market instruments	<input checked="" type="radio"/> We address ESG incorporation. <input type="radio"/> We do not do ESG incorporation.
Other (1)	<input checked="" type="radio"/> We address ESG incorporation. <input type="radio"/> We do not do ESG incorporation.
Other (1) [as defined in OO 05]	Multi-asset, other alternatives (solutions, credit, currency)

OO 11.2 Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes		
Listed equity	<table border="1"> <tr> <td style="background-color: #0070C0; color: white;">Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</td> <td> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </td> </tr> </table>	Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation		
Fixed income - SSA	<table border="1"> <tr> <td style="background-color: #0070C0; color: white;">Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</td> <td> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </td> </tr> </table>	Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation		
Fixed income - corporate (financial)	<table border="1"> <tr> <td style="background-color: #0070C0; color: white;">Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</td> <td> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </td> </tr> </table>	Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation		
Fixed income - corporate (non-financial)	<table border="1"> <tr> <td style="background-color: #0070C0; color: white;">Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</td> <td> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </td> </tr> </table>	Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation		
Fixed income - securitised	<table border="1"> <tr> <td style="background-color: #0070C0; color: white;">Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</td> <td> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </td> </tr> </table>	Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation		

Private equity	<p>Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Infrastructure	<p>Infrastructure - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Hedge funds	<p>Hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Fund of hedge funds	<p>Fund of hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Other (1)	<p>Other (1) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Other (2)	<p>Other (2) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>

OO 11.4 Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

Client Portfolio Solutions

BlackRock's Client Portfolio Solutions (CPS) is an investment group focused on delivering whole-portfolio asset allocation and portfolio construction services and solutions to meet our clients' growing demand for outcome-oriented investment solutions in the face of challenging markets, greater complexity and rising regulatory scrutiny. The CPS ESG Investment Principle is part of a series of investment principles that complements CPS's investment philosophy in laying the foundations for CPS's advisory and managed mandates. The Principle describes CPS's approach to the integration of financially-material ESG information into investment decisions in order to enhance risk-adjusted returns. CPS's Investment Philosophy stipulates that a full assessment of the risk and return exposures of a portfolio requires a multi-lens approach covering assets, factors and sustainability perspective.

As ESG research is typically focused on company- or issuer-level information, we believe that ESG is best applied at the level of security selection. The CPS ESG Investment Principle applies to the selection and the monitoring of strategies, for their ability to incorporate material ESG information in their investment decisions. The Principle is applied through the selection of alpha-seeking and indexing strategies that are included in CPS's advisory and managed mandates. As part of CPS's manager due diligence and monitoring process, alpha-seeking strategies are assessed on how they integrate ESG information in their investment decision process. ESG information is not the sole consideration; instead managers assess a variety of economic and financial indicators, which may include ESG issues. For indexing strategies, CPS evaluates managers who track a benchmark, and our manager due diligence process looks at how ESG insights are incorporated in their approach to proxy voting and engagement with portfolio companies. In addition to the monitoring of strategies for their ESG integration practices and as we roll out our processes for aggregating ESG data, CPS will monitor the ESG characteristics of advisory and managed mandates at the whole portfolio level.

Private Equity Partners

BlackRock Private Equity Partners (PEP) recognizes the ESG impacts of our its investments and is committed to managing these impacts in a responsible manner. We believe that a robust, integrated approach to ESG factors is essential to preserving and enhancing the value of our investments throughout their investment lifecycle. We consider effective ESG assessment and management to be a fundamental component of risk management.

ESG review is an integral part of the due diligence and monitoring process for fund investments and direct co-investments. When evaluating investments, ESG risks and opportunities are fully considered alongside traditional investment approaches by the investment teams. Recognizing the characteristics of private equity investments, PEP's approach differentiates between fund investments and direct co-investments.

For fund investments, underlying portfolio companies are typically not known to investors when the investment decision is made (blind pool). Thus, when

evaluating the ESG practices of a General Partner (GP), PEP considers the GP's policies, material risk identification processes, ESG value contribution, monitoring practices, and ESG reporting capabilities. GPs are evaluated against current best practices observable in the private equity markets, and red flags are noted where material shortfalls are uncovered. When assessing managers' practices, PEP is cognizant of differences in approach and development.

BlackRock Alternative Advisors

BlackRock Alternative Advisors (BAA) evaluates funds and co-investments across the spectrum of hedge fund strategies in an effort to identify investments that have an advantage relative to other market participants. We believe that sustainable investing practices, defined as incorporating ESG information into our investment decisions, can enhance returns. Therefore, we consider effective ESG assessment to be an important component of our due diligence process on hedge funds and co-investments.

When evaluating hedge funds, BAA's ESG assessment will focus primarily on the fund management company's principles and processes for responsible investment. More detailed fund-specific requirements may depend on the individual fund's investment strategy. BAA's approach to ESG is embedded within the sourcing, evaluation, approval and monitoring of hedge fund investments. When assessing a manager's practices, BAA is cognizant of differences in approach across hedge fund strategies and geographies and evaluates hedge funds relative to those differences.

Risk/return profiles, the degree of transparency, and the availability of data can differ substantially between investments in hedge funds and co-investments. As such, there are additional nuances when considering ESG within BAA's investment process for co-investments. BAA seeks to understand relevant ESG considerations when sourcing, evaluating and monitoring coinvestments; further, BAA regularly monitors portfolios comprised of co-investments for potential exposure to various risks, inclusive of material ESG-related exposures.

OO 12	Mandatory	Gateway	General
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OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules	
<input checked="" type="checkbox"/>	Organisational Overview
<input checked="" type="checkbox"/>	Strategy and Governance
RI implementation directly or via service providers	
Direct - Listed Equity incorporation	
<input checked="" type="checkbox"/>	Listed Equity incorporation
Direct - Listed Equity active ownership	
<input checked="" type="checkbox"/>	Engagements
<input checked="" type="checkbox"/>	(Proxy) voting
Direct - Fixed Income	
<input checked="" type="checkbox"/>	Fixed income - SSA
<input checked="" type="checkbox"/>	Fixed income - Corporate (financial)
<input checked="" type="checkbox"/>	Fixed income - Corporate (non-financial)
<input checked="" type="checkbox"/>	Fixed income - Securitised
Direct - Other asset classes with dedicated modules	
<input checked="" type="checkbox"/>	Private Equity
<input checked="" type="checkbox"/>	Property
<input checked="" type="checkbox"/>	Infrastructure
<input checked="" type="checkbox"/>	Hedge Funds and/or Fund of Hedge Funds
RI implementation via external managers	
Indirect - Selection, Appointment and Monitoring of External Managers	
<input checked="" type="checkbox"/>	Listed Equities
<input checked="" type="checkbox"/>	Fixed income - SSA
<input checked="" type="checkbox"/>	Fixed income - Corporate (financial)
<input checked="" type="checkbox"/>	Fixed income - Corporate (non-financial)
<input checked="" type="checkbox"/>	Fixed income - Securitised
<input checked="" type="checkbox"/>	Private Equity
<input checked="" type="checkbox"/>	Infrastructure
Closing module	
<input checked="" type="checkbox"/>	Closing module

OO 12.2 Additional information. [Optional]

BlackRock manages 100% of assets internally, and does not have any externally managed assets. However, because the PRI reporting tool requires externally managed assets to enable reporting of our manager selection activities under the SAM module, we have elected to identify our Client Portfolio Solutions, Private Equity Partners, BlackRock Alternative Advisors, and Infrastructure Solutions businesses as externally managed.

OO LE 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
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OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.
91.7	Passive
5.5	Active - quantitative (quant)
2.8	Active - fundamental and active - other

OO LE 02	Mandatory to Report, Voluntary to Disclose	Gateway	General
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OO LE 02.1	For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.
	All active strategies
	<input checked="" type="radio"/> Yes
	<input type="radio"/> No

OO FI 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
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OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies	
SSA	Passive	59
	Active - quantitative (quant)	38
	Active - fundamental and active - other	3
Corporate (financial)	Passive	59
	Active - quantitative (quant)	38
	Active - fundamental and active - other	3
Corporate (non-financial)	Passive	59
	Active - quantitative (quant)	38
	Active - fundamental and active - other	3
Securitised	Passive	59
	Active - quantitative (quant)	38
	Active - fundamental and active - other	3

OO FI 01.2	Additional information. [Optional]
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Our systems do not track assets in a manner called for by the item above. Therefore, our response represents a good faith estimate but may not ultimately be accurate.

OO FI 03	Mandatory	Descriptive	General
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OO FI 03.1	Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.	
SSA	Developed markets	60
	Emerging markets	40

OO FI 03.2	Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.
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Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%

OO FI 03.3 Additional information. [Optional]
 Our systems do not track assets in a manner called for by the item above. Therefore, our response represents a good faith estimate but may not ultimately be accurate.

OO SAM 01 Mandatory to Report, Voluntary to Disclose Gateway General

OO SAM 01.1 Provide a breakdown of your externally managed listed equities and fixed income by passive, active quant and, active fundamental and other active strategies.

Listed equity (LE)	50	Passive
	25	Active - quantitative (quant)
	25	Active - fundamental and active - other
Fixed income - SSA	70	Passive
	15	Active - quantitative (quant)
	15	Active - fundamental and active - other
Fixed income - Corporate (financial)	50	Passive
	25	Active - quantitative (quant)
	25	Active - fundamental and active - other
Fixed income - Corporate (non-financial)	50	Passive
	25	Active - quantitative (quant)
	25	Active - fundamental and active - other
Fixed income - Securitized	50	Passive
	25	Active - quantitative (quant)
	25	Active - fundamental and active - other

OO SAM 01.2 Additional information [Optional].
 BlackRock manages 100% of assets internally, and does not have any externally managed assets. However, because the PRI reporting tool requires externally managed assets to enable reporting of our manager selection activities under the SAM module, we have elected to identify our Client Portfolio Solutions, Private Equity Partners, BlackRock Alternative Advisors, and Infrastructure Solutions businesses as externally managed.
 Our systems do not track assets in a manner called for by this item. Therefore, our response represents a good faith estimate but may not ultimately be accurate.

OO PE 01 Mandatory Descriptive General

OO PE 01.1 Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.

Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)

Venture capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Growth capital	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
(Leveraged) buy-out	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Distressed/Turnaround/Special Situations	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Secondaries	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Other investment strategy, specify (1)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Other investment strategy, specify (2)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Total 100%	

Other investment strategy, specify (1)
Natural Resources, Infrastructure

OO PE 01.2 Additional information. [Optional]

BlackRock Private Equity Partners (PEP) is part of the Alternatives Investments unit of BlackRock's Investment platform. PEP has a long history in private equity, with a track record of over 20 years investing across primary funds, secondaries and direct co-investments.

The PEP platform comprises more than 150 professionals located primarily in Princeton, New York, Zurich, London and Hong Kong. This ensures that its 45 investment and 25 investor relations professionals have local knowledge of Investors, General Partners and market dynamics relevant to each major region of the world. PEP focuses on providing investors with private market investment solutions and attractive investment offerings tailored to their regional needs.

OO PE 02 Mandatory to Report, Voluntary to Disclose **Descriptive** **General**

OO PE 02.1 Indicate the level of ownership you typically hold in your private equity investments.

- a majority stake (>50%)
- 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

OO PE 02.2 Additional information. [Optional]

The ownership information provided above is only applicable to private equity direct co-investments, where BlackRock's Private Equity Partners (PEP) invests in direct investment opportunities alongside leading sponsors. We seek to invest in companies that we believe have strong management teams, leading market positions and/or proprietary business strategies. Typically, we will partner on direct co-investments with sponsors who are taking control positions in the companies acquired.

PEP seeks to obtain a Board seat or Board Observer seat wherever possible, as we believe that board participation represents a key element of our risk monitoring approach and benefits our clients by providing enhanced transparency to sponsors and underlying company investments. The benefits to board participation include:

- Helping to ensure compliance with the underlying investment's strategy and agreed upon terms;
- More immediate access to portfolio company information; and
- Creating a constructive environment of accountability.

OO PR 01.1	Indicate the level of ownership you typically hold in your property investments.
------------	--

- a majority stake (50% and above)
- a significant minority stake (10 and above, and under 50%)
- a limited minority stake (<10%)
- a mix of ownership stakes
- N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity in property on their behalf

OO PR 01.2	Provide a breakdown of your organisations allocation to Real Estate Investment Trusts (REITs) or similar
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- >50%
- 10 – 50%
- <10%
- 0%

OO PR 01.3	Additional information. [Optional]
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The REIT percentage is the % of total firm AUM.

OO PR 02.1	Provide a breakdown of your organisation's property assets based on who manages the assets.
------------	---

Property assets managed by	Breakdown of your property assets (by number)
Managed directly by your organisation	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input checked="" type="checkbox"/> <10% <input type="checkbox"/> 0%
Managed via third-party property managers appointed by you	<input checked="" type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> 0%
Managed by other investors or their property managers	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> 0%
Managed by tenant(s) with operational control	<input type="checkbox"/> > 50% <input checked="" type="checkbox"/> 10-50% <input type="checkbox"/> < 10% <input type="checkbox"/> 0%
Total 100%	

OO PR 03.1	Indicate up to three of your largest property types by AUM.
------------	---

Types	Main property types (by AUM)
Largest property type	<input type="checkbox"/> Industrial <input type="checkbox"/> Retail <input checked="" type="checkbox"/> Office <input type="checkbox"/> Residential <input type="checkbox"/> Leisure/Hotel <input type="checkbox"/> Mixed use <input type="checkbox"/> Other, specify
Second largest property type	<input checked="" type="checkbox"/> Industrial <input type="checkbox"/> Retail <input type="checkbox"/> Office <input type="checkbox"/> Residential <input type="checkbox"/> Leisure/Hotel <input type="checkbox"/> Mixed use <input type="checkbox"/> Other, specify

Third largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input checked="" type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
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OO INF 01	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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OO INF 01.1	Indicate the level of ownership you typically hold in your infrastructure investments.
-------------	--

- a majority stake (>50%)
- a 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

OO INF 02	Mandatory to Report, Voluntary to Disclose	Gateway/Peering	General
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OO INF 02.1	Provide a breakdown of your organisation's infrastructure assets based on who manages the assets.
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Infrastructure assets managed by	Breakdown of your infrastructure assets (by number)
Managed directly by your organisation/companies owned by you	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Managed via third-party operators appointed by your organisation/companies owned by you	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors/their third-party operators	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Total	100%

OO INF 02.2	Additional information. [Optional]
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The above is applicable to infrastructure equity only. 100% of infrastructure debt assets are managed by other investors / their third party operators. We wish to remind the reader that PRI categorizes infrastructure debt as non-financial corporate bonds, and asks signatories to report infrastructure debt integration activities under the Fixed Income reporting module.

OO INF 03	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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OO INF 03.1	Indicate up to three of your largest infrastructure sectors by AUM.
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Sector	Main infrastructure sectors (by AUM)
Largest infrastructure sector	<input type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input checked="" type="radio"/> Other, specify <p style="margin-left: 20px;">Power infrastructure, includes renewables</p>

Second largest infrastructure sector	<input type="radio"/> Transportation <input checked="" type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify
Third largest infrastructure sector	<input checked="" type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify

OO HF 01	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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OO HF 01.1 Please describe your hedge fund strategies and classification

Options presented for hedge funds		
Main strategy	Strategy as % of hedge fund AUM	Sub-strategy
Equity Hedge	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="checkbox"/> Equity Market Neutral <input type="checkbox"/> Fundamental Growth <input type="checkbox"/> Fundamental Value <input type="checkbox"/> Quantitative Directional <input type="checkbox"/> Sector: Energy/Basic Materials <input type="checkbox"/> Sector: Healthcare <input type="checkbox"/> Sector: Technology <input type="checkbox"/> Short Bias <input checked="" type="checkbox"/> Multi-Strategy
Event Driven	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="checkbox"/> Activist <input type="checkbox"/> Credit Arbitrage <input type="checkbox"/> Distressed / Restructuring <input type="checkbox"/> Merger Arbitrage <input type="checkbox"/> Private Issue / Regulation D <input type="checkbox"/> Special Situations <input checked="" type="checkbox"/> Multi-Strategy
Global Macro	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input type="checkbox"/> Active Trading <input type="checkbox"/> Commodity: Agriculture <input type="checkbox"/> Commodity: Energy <input type="checkbox"/> Commodity: Metals <input type="checkbox"/> Commodity: Multi <input type="checkbox"/> Currency: Discretionary <input type="checkbox"/> Currency: Systematic <input type="checkbox"/> Discretionary Thematic <input type="checkbox"/> Systematic Diversified <input checked="" type="checkbox"/> Multi-Strategy

Relative Value	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="checkbox"/> Fixed Income - Asset Backed <input type="checkbox"/> Fixed Income - Convertible Arbitrage <input type="checkbox"/> Fixed Income - Corporate <input type="checkbox"/> Fixed Income - Sovereign <input type="checkbox"/> Volatility <input type="checkbox"/> Yield Alternatives: Energy Infrastructure <input type="checkbox"/> Yield Alternatives: Real Estate <input checked="" type="checkbox"/> Multi-Strategy
Risk Parity	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	
Blockchain	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	
Total 100% (of internal Hedge Fund AUM)		

00 Checks

Checks

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

✓ Yes

SG 01.2 Indicate the components/types and coverage of your policy.

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM
<input checked="" type="checkbox"/> Formalised guidelines on environmental factors	
<input checked="" type="checkbox"/> Formalised guidelines on social factors	
<input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors	
<input checked="" type="checkbox"/> Fiduciary (or equivalent) duties	
<input checked="" type="checkbox"/> Asset class-specific RI guidelines	
<input checked="" type="checkbox"/> Sector specific RI guidelines	
<input checked="" type="checkbox"/> Screening / exclusions policy	
<input type="checkbox"/> Other, specify (1)	
<input type="checkbox"/> Other, specify(2)	

SG 01.3 Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4 Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

<https://www.blackrock.com/corporate/literature/publication/blk-esg-investment-statement-web.pdf>

BlackRock's ESG Investment Statement details our commitment to integrate sustainability insights-often referred to as ESG, or environmental, social and governance, insights-into our investment processes. It explains our ESG integration philosophy, discusses the roles and responsibilities for ESG integration work and the governance structure for these activities, and provides an overview of our approach to ESG integration. The Investment Statement applies to all investment divisions and investment teams at the firm, and therefore applies to all assets under management and assets under advisory. The Statement is reviewed at least annually and is updated when necessary to reflect changes to our approach or our business.

At BlackRock, we define ESG integration as the practice of incorporating material ESG information into investment decisions in order to enhance risk-adjusted returns. Some of our clients call this responsible investing. To us, integrating ESG information, or sustainability considerations, should be part of any robust investment process and means adapting our research and core investment processes to account for additional sources of risk and return that are explained by ESG information. ESG integration is relevant for all asset classes and styles of portfolio management, public and private markets, and alpha-seeking and index strategies.

SG 01.5 Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

BlackRock's ESG integration philosophy

ESG information is not the sole consideration for our investment decisions; instead, the firm's investment professionals assess a variety of economic and financial indicators, which can include ESG issues, to make investment decisions appropriate for our clients' objectives. Our approach to ESG integration is to broaden the amount of useful information our investment professionals consider in order to improve investment analysis seeking to meet or exceed economic return and financial risk targets.

How we approach ESG integration at BlackRock

BlackRock has a consistent yet flexible framework for ESG integration into the investment process. This framework allows for cohesion with the firm's overall ESG integration efforts, while permitting a diversity of approaches across different investment teams. ESG considerations that are material will vary by client objectives, investment style, sector, and market trends.

ESG data are an important source from which BlackRock investment teams derive research and investment insights. Across equity, fixed income, multi-asset, liquidity, and alternative asset classes, and also in our asset allocation and manager selection advisory business, we integrate material ESG information into our investment processes to understand sources of risk and returns. Our goal is to construct portfolios that deliver exposures and outcomes consistent with our clients' objectives. We incorporate sustainability insights and ESG information into our research in pursuit of enhancing returns – especially over the long-term. BlackRock investors carefully consider external and proprietary ESG research from a variety of sources, and we use BlackRock technology and tools make the information accessible to investment decision makers. We do not make investment decisions based on ESG information in isolation; instead, we assess a variety of economic factors, including risk and valuation metrics, when building and monitoring portfolios.

Fundamental investment teams meet with company leadership, project sponsors, and other entities to support investment research, including of material sustainability issues. Systematic investors and index portfolio engineers rely on the BlackRock Investment Stewardship team to conduct engagements with portfolio companies to drive the implementation and oversight of best practices in material sustainability areas to support long-term financial performance.

Who is responsible for ESG integration at BlackRock

At BlackRock, the people responsible for investment decisions are also responsible for integrating ESG information into the investment analysis that

supports those decisions. Including ESG information in our analysis of long-term economic scenarios, secular trends, and industry disruptions helps us better orient investment decisions for our clients, most of whom are investing to meet long-term goals such as retirement. Examining material ESG exposures and sustainability performance allows us to identify additional sources of risk and return, and in understanding those sources of risk, we can better value investments.

BlackRock employs dedicated resources to support sustainable investing. The BlackRock Sustainable Investing team, the BlackRock Investment Stewardship team, and individuals across BlackRock's technology and analytics platform work together to advance ESG research and tools to support ESG integration efforts. The Sustainable Investing team - with oversight from the Global Executive Committee Investment Sub-Committee - seeks to ensure consistency across investment processes, aggregates resources and shares best practices across the firm to help our investment teams integrate material sustainability considerations.

In addition, some BlackRock investment groups have identified individuals to determine methodologies and processes that are appropriate for their respective teams. Content experts from investment divisions and from BlackRock Sustainable Investing provide insight on ESG integration approaches and data sources most relevant to an asset class and style of portfolio management. Investment division operational leads advocate for process improvement and progress over time within their business units. Progress on ESG integration across investment teams is reported to the Global Executive Committee Investment Sub-Committee at least annually.

Investment team ESG statements

In addition to the BlackRock ESG Investment Statement, which covers the firm's approach to ESG integration, investment teams have developed team-specific ESG statements, which are available to clients upon request.

No

SG 01.6 Additional information [Optional].

Investment Stewardship BlackRock frames its corporate governance activities, including the assessment and integration of environmental and social issues, within an investment context. It is for this reason that the Stewardship team is strategically positioned as an investment function. We believe that a sound corporate governance framework promotes strong leadership by boards of directors and good management practices, contributing to the long-term success of companies and better risk-adjusted returns to our clients. We recognize that corporate governance practices and expectations differ around the world. Our Investment Stewardship efforts, including our direct engagement and voting activities, encourage companies to deliver long-term, sustainable growth and returns for our clients. As a large investor, we are able – and feel a responsibility – to monitor the companies in which we invest and to engage with them constructively and privately where we believe that would help protect clients' interests. As an asset manager, BlackRock evaluates how companies manage the material sustainability-related risks and opportunities within their businesses. The Investment Stewardship team works with colleagues investing in public companies to analyze the material environmental, social, and governance (ESG) factors relevant to their investment decision-making. This responsible investment process varies according to both the investment mandate and the style of portfolio management. Where applicable, we consider any factor that in our judgment may affect the economic performance of companies over time, which includes the financial impact of non-financial factors. These factors may include, board leadership, management quality in areas such as health and safety, employee relations, product liability and development, mitigation of risk (e.g., physical risks, reputational risk, regulatory risk and legal risks), and general responsiveness to societal expectations. These risks may come from a variety of sources such as climate change, social trends, consumer behavior, or regulatory developments. BlackRock Investment Stewardship provides its views on companies to investment teams via the Aladdin@ platform. BIS shares engagement data and meeting topic(s), BIS' sentiment towards the company following engagement, any outcome of the meeting and timeline for change (if applicable), and a summary analysis of the engagement meeting. Aladdin@ enables us to share these governance insights with BlackRock's investment teams globally and enhance our client reporting.

SG 01 CC Mandatory to Report, Voluntary to Disclose Descriptive General

SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

Climate change presents market risks and opportunities through four channels: 1) physical: more frequent and severe weather events over the long term; 2) technological: advances in energy storage, electric vehicles (EVs) or energy efficiency undermining existing business models; 3) regulatory: tightening emissions and energy efficiency standards, and changing subsidies and taxes; 4) social: changing consumer preferences and divestment of fossil fuel assets.

These factors can play out immediately (often the regulatory variety), in the medium term as economies transition to a lower-carbon world (often technological), and in the long run (often physical). Our investment time horizons vary by portfolio strategy, from short term cash funds, to long term physical asset investments, such as infrastructure and property. Our clients typically have longer time horizons, over which climate related risks can compound, yet even portfolios with a 1-2 year time horizon can be affected by regulatory and policy developments, the effect of rapid technological change or an extreme weather event.

BlackRock has long believed that sustainability-related issues – including climate-related risks – have real long-term financial impacts, with increasing relevance in the investment process. Many of our clients are long-term investors and, as a fiduciary, we're working to help them integrate ESG factors across an entire portfolio to enhance long-term risk adjusted returns with built in resilience. Integrating these data and tools into the investment research process is critical to risk management. In addition to incorporating sustainability considerations across our investment platform, BlackRock currently manages a broad suite of dedicated sustainable investment solutions, ranging from broad ESG strategies to thematic and impact strategies that allow clients to align their capital with the low-carbon transition and the UN Sustainable Development Goals. BlackRock also manages one of the largest renewable power funds globally. With deep expertise in alpha-seeking and index strategies, across public equity and debt, private infrastructure, commodities and real estate, BlackRock continues to build scalable products and customized solutions across asset classes that support no-carbon, low-carbon, and energy transition solutions.

No

SG 01.7 CC Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

Over the past few years, more and more of our clients have focused on the impact of sustainability on their portfolios. The most significant of these factors relates to climate change, not only in terms of the physical risk associated with rising global temperatures, but also transition risk – namely, how the global transition to a low-carbon economy could affect a company's long-term profitability. As Larry Fink writes in his 2020 letter to CEOs, the investment risks presented by climate change are set to accelerate a significant reallocation of capital, which will in turn have a profound impact on the pricing of risk and assets around the world.

Asset-level analysis is key for investors. We find that the risk posed by more frequent and severe weather events such as hurricanes and wildfires are not fully reflected in the price of many assets, including U.S. utility equities. A rising share of municipal bond issuance is set to come from regions facing climate-related economic losses. And many high-risk commercial properties are outside official flood zones.

Many investors recognize that climate-related risks are growing. However, until recently, most investors did not have access to data showing the potential impact at the asset level of both direct physical risks and indirect economic impacts as well. Working with select climate data providers, BlackRock has leveraged 160 terabytes of data to assess climate-related risks facing specific asset classes, both today, and under a range of future climate scenarios reaching out to 2100.

No

SG 01.8 CC Indicate whether the organisation publicly supports the TCFD?

Yes

No

SG 01.9 CC Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

BlackRock's organizational strategy as it relates to identifying and managing material climate related risks and opportunities is two-fold: (i) firmwide infrastructure and processes to support the analysis of climate-related risks; and (ii) distributed responsibility to investment professionals to review and manage investment risks, including climate risks, in portfolios.

We outline our approach to integrating material sustainability insights into our investment processes and decision making to enhance risk-adjusted returns in our ESG Investment Statement. While processes for identifying relevant risks and opportunities vary based on client objectives, fund themes, and by asset class, our investors lead in identifying material climate related risks and opportunities in their portfolios.

The BlackRock Sustainable Investing team provide tools and knowledge to highlight the financial risk of climate issues to our investment teams and create strategies for clients seeking to mitigate or add to certain exposures driven by climate considerations. This research augments other climate risk research conducted by investment teams to benefit their portfolios directly. Climate related investment research derived from fundamental analysis, investment research firms, credit rating agencies, NGOs, and other sources helps investors analyze climate-related risks and opportunities in their portfolios. For example, our Global Fixed Income Responsible Investing Group develops tools and analyses which benefit portfolios of fixed income assets. Our Systematic Active Equity team utilizes a climate score to rank US companies by resource efficiency/carbon emissions, climate risks and opportunities; absolute levels and annual rate of change all of which are used to prioritize risks and opportunities ranging from the effects of possible carbon taxes to the impact of extreme weather on labor productivity.

By the end of 2020, all active portfolios and advisory strategies will be fully ESG integrated – meaning that, at the portfolio level, our portfolios managers will be accountable for appropriately managing exposure to ESG risks and documenting how those considerations have affected investment decisions. BlackRock's Risk and Quantitative Analysis Group ("RQA"), which is responsible for evaluating all investment, counterparty, and operational risk at the firm, will be evaluating ESG risk during its regular monthly reviews with portfolio managers to provide oversight of portfolio managers' consideration of ESG risk in their investment processes. This integration will mean that RQA – and BlackRock as a whole – considers ESG risk with the same rigor that it analyzes traditional measures such as credit and liquidity risk.

In heightening our scrutiny of ESG issues, we are continuously evaluating the risk-return profile and negative externalities posed by specific sectors as we seek to minimize risk and maximize long-term return for our clients. We have eliminated exposure through our \$1.8 trillion in active AUM to public debt or equity in certain sectors with heightened ESG risk, such as controversial weapons systems manufacturers. We continue to evaluate, in both our public and private investment portfolios, high-risk sectors that are exposed to a reallocation of capital, and we will take action to reduce exposures where doing so can enhance the risk-return profile of portfolios.

No

SG 1.10 CC Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify

CDP reports

We currently do not publish TCFD disclosures

SG 02 **Mandatory** **Core Assessed** **PRI 6**

SG 02.1 Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment

URL

<https://www.blackrock.com/corporate/literature/publication/blk-esg-investment-statement-web.pdf>

Attachment (will be made public)

Formalised guidelines on environmental factors

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.blackrock.com/corporate/literature/publication/blk-commentary-engaging-on-climate-risk.pdf
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on social factors

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.blackrock.com/corporate/literature/publication/blk-commentary-engagement-on-human-capital.pdf
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf
<input type="checkbox"/> Attachment (will be made public)

Fiduciary (or equivalent) duties

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.blackrock.com/corporate/literature/publication/blk-sustainability-mission-statement-web.pdf
<input type="checkbox"/> Attachment (will be made public)

Asset class-specific RI guidelines

URL/Attachment
<input type="checkbox"/> URL <input checked="" type="checkbox"/> Attachment (will be made public) Files: link

Sector specific RI guidelines

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.blackrock.com/corporate/investor-relations/blackrock-client-letter
<input type="checkbox"/> Attachment (will be made public)

Screening / exclusions policy

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.blackrock.com/corporate/investor-relations/blackrock-client-letter
<input type="checkbox"/> Attachment (will be made public)

Engagement policy

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf
<input type="checkbox"/> Attachment (will be made public)

(Proxy) voting policy

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.blackrock.com/corporate/about-us/investment-stewardship#principles-and-guidelines
<input type="checkbox"/> Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.blackrock.com/corporate/literature/publication/blk-esg-investment-statement-web.pdf
<input type="checkbox"/> Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment	
<input checked="" type="checkbox"/> URL	https://www.blackrock.com/corporate/literature/publication/blk-esg-investment-statement-web.pdf
<input type="checkbox"/> Attachment	

Time horizon of your investment

URL/Attachment	
<input checked="" type="checkbox"/> URL	https://www.blackrock.com/corporate/literature/publication/blk-esg-investment-statement-web.pdf
<input type="checkbox"/> Attachment	

Governance structure of organisational ESG responsibilities

URL/Attachment	
<input checked="" type="checkbox"/> URL	https://www.blackrock.com/corporate/literature/publication/blk-esg-investment-statement-web.pdf
<input type="checkbox"/> Attachment	

ESG incorporation approaches

URL/Attachment	
<input checked="" type="checkbox"/> URL	https://www.blackrock.com/corporate/literature/publication/blk-esg-investment-statement-web.pdf
<input type="checkbox"/> Attachment	

Active ownership approaches

URL/Attachment	
<input checked="" type="checkbox"/> URL	https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf
<input type="checkbox"/> Attachment	

Climate change

URL/Attachment	
<input checked="" type="checkbox"/> URL	https://www.blackrock.com/corporate/literature/publication/blk-esg-investment-statement-web.pdf
<input type="checkbox"/> Attachment	

Understanding and incorporating client / beneficiary sustainability preferences

URL/Attachment	
<input checked="" type="checkbox"/> URL	https://www.blackrock.com/us/individual/investment-ideas/sustainable-investing
<input type="checkbox"/> Attachment	

We do not publicly disclose any investment policy components

SG 03	Mandatory	Core Assessed	General
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SG 03.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2 Describe your policy on managing potential conflicts of interest in the investment process.

As an asset manager and fiduciary to our clients, managing potential conflicts of interest is critical to BlackRock's reputation and business relationships, and to meeting the requirements of our regulators worldwide. BlackRock maintains a well-developed compliance program for identifying, escalating, avoiding and/or monitoring potential or actual conflicts of interest. A governance and oversight structure develops relevant policies and procedures with which BlackRock employees must comply. BlackRock Legal & Compliance conducts mandatory annual compliance training.

BlackRock's Global Conflicts of Interest Policy governs the responsibility of BlackRock and its employees to place our clients' interests first and to identify and manage any conflicts of interest that may arise in the course of our business. In order to mitigate potential and actual conflicts of interest, each BlackRock employee must, among other things:

- Identify potential or actual conflicts of interest both in relation to existing arrangements and when considering changes to, or making new, business arrangements;
- Report any conflicts of interest promptly to his/her supervisor and Legal & Compliance;
- Avoid (where possible) or otherwise take appropriate steps to mitigate a conflict to protect our clients' interests; and
- Where appropriate, disclose conflicts of interest to clients prior to proceeding with a proposed arrangement.

No

SG 03.3	Additional information. [Optional]
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Read more in our Global Corporate Governance and Engagement Principles found here <https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf>, and our statement on how BIS manages conflicts of interest here <https://www.blackrock.com/corporate/literature/publication/blk-statement-conflicts-of-interest.pdf>.

SG 04	Voluntary	Descriptive	General
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SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within investee entities.
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- Yes
- No

SG 04.2	Describe your process on managing incidents
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We subscribe to multiple major global controversies research providers which send alerts about sustainability related incidents at public and private companies. Where portfolios have rules or restrictions against certain types or levels of severity of controversies, BlackRock's portfolio compliance team will code the newly restricted issuer into BlackRock's portfolio management and trading systems to ensure the mandate is prevented from purchasing the issuer, and in some cases divestment will be required. Where investment terms preclude divestment or other investment action, as in cases where BlackRock is a limited partner in a private equity fund, BlackRock's investment team may require management explanation and remediation plans in addition to continued risk monitoring and reporting.

In addition, and especially in the case of indexed strategies, whose investment objectives require committed investment in benchmark companies including after incidents occur, the BlackRock Investment Stewardship (BIS) team may engage with companies that have experienced a material controversy or incident to understand what happened, whether there was a management or board failure or weakness that contributed to the incident and what remedial actions have been taken to address the issue and minimize the likelihood it would reoccur. BIS may report such engagements in quarterly reports on our website.

SG 05	Mandatory	Gateway/Core Assessed	General
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SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 06	Voluntary	Descriptive	General
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SG 06.1	List the main responsible investment objectives that your organisation set for the reporting year.
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Responsible investment processes

- Provide training on ESG incorporation

Key performance indicator
Feedback from investment and client-facing colleagues that the training is relevant and helpful to them in their daily roles.

Progress achieved
Various internal ESG integration training events, as well as more focused engagements tailored to creating investment team best practices

- Provide training on ESG engagement

Key performance indicator
Feedback from investment and client-facing colleagues that the training is relevant and helpful to them in their daily roles

Progress achieved
Various internal training events

- Improved communication of ESG activities within the organisation

Key performance indicator
Feedback from senior leadership, investment and client-facing colleagues that the information is relevant and helpful to them in their daily roles.

Progress achieved
Regular internal presentations and recorded external presentations shared internally; trainings focused for client-facing colleagues and investment professionals, internal websites to share information and news, email communications and internal meetings to share updates on sustainable investing trends and activities, internal chat rooms to discuss developments in sustainability and sustainable investing developments.

- Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator
Outcomes related to engagement on ESG issues

Progress achieved
Please see our more detailed responses in the LEA module

- Improved ESG incorporation into investment decision making processes

Key performance indicator
Internal assessments to evaluate practice across investment teams

	Progress achieved
	Assessments to date have uncovered areas of expertise and areas where additional focus and education is needed. Combined, this creates an opportunity to share knowledge and best practices for the collective advancement of all teams.
<input type="checkbox"/>	Other, specify (1)
<input type="checkbox"/>	Other, specify (2)
<input type="checkbox"/>	Other, specify (3)
<input type="checkbox"/>	None of the above
	Other activities
<input checked="" type="checkbox"/>	Joining and/or participation in RI initiatives
	Key performance indicator
	Output from such initiatives progressing the ESG debate and policy framework.
	Progress achieved
	Engagement with various members of the global investment and corporate community to promote sustainable investing and business
<input checked="" type="checkbox"/>	Encouraging others to join a RI initiative
	Key performance indicator
	Output from such initiatives progressing the ESG debate and policy framework.
	Progress achieved
	Engagement with various members of the global investment and corporate community to promote sustainable investing and business
<input checked="" type="checkbox"/>	Documentation of best practice case studies
	Key performance indicator
	Documentation of best practices across the firm
	Progress achieved
	Internal symposium events for best practice sharing across investment teams, and publications highlighting research and investment views
<input checked="" type="checkbox"/>	Using case studies to demonstrate engagement and ESG incorporation to clients
	Key performance indicator
	Feedback from clients and client-facing colleagues that the information is relevant and helpful to them.
	Progress achieved
	Engagement case studies discussed in annual and quarterly stewardship reports
<input type="checkbox"/>	Other, specify (1)
<input type="checkbox"/>	Other, specify (2)
<input type="checkbox"/>	Other, specify (3)
<input type="checkbox"/>	None of the above

SG 07	Mandatory	Core Assessed	General
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SG 07.1 Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

	Roles
<input checked="" type="checkbox"/>	Board members or trustees
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input checked="" type="checkbox"/>	Internal Roles (triggers other options)
	Select from the below internal roles
<input checked="" type="checkbox"/>	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input checked="" type="checkbox"/>	Other Chief-level staff or head of department, specify
	Global Head of Sustainable Investing
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment

- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)

	Other description (1)
	Global Head of ESG Integration

 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (2)

	Other description (2)
	Global Head of Investment Stewardship

 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers

SG 07.2 For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

BlackRock's board of directors oversees the management of the company by, among other things, reviewing BlackRock's long-term business strategies and performance. As part of its oversight function, the board periodically reviews certain business lines in depth.

BlackRock's CEO ultimately is responsible for the company's overall success, and leads the development and execution of BlackRock's long-term business strategies and performance. In connection with these responsibilities, BlackRock's CEO has certain oversight responsibilities for the firm's business lines, including for certain aspects of our sustainable investing business. BlackRock's CEO is a public proponent of long-term investing, and has communicated the value of sustainable investing, investment stewardship, and corporate ESG disclosure, including in his annual letter to global CEOs.

BlackRock employs dedicated sustainable investing resources across the firm. The BlackRock Sustainable Investing (BSI) team, the BlackRock Investment Stewardship (BIS) team, and individuals across our global investment teams work together to advance ESG research and integration, active ownership including engagement and voting, as well as the development of sustainable investment strategies and solutions.

The Global Head of BSI oversees the firm's achievement of its sustainable investment objectives, including setting sustainable investment policies and governing their execution. The Global Head of BSI is responsible for the oversight and management of the team focused on identifying drivers of long-term return associated with ESG issues, integrating them throughout BlackRock's investment processes, and creating solutions for our clients to achieve sustainable investment return.

The Global Head of ESG Integration is responsible for implementing the firm's sustainable investment policies and ensuring consistency and quality in the firm's sustainable investment solutions. The Head is responsible, in partnership with the firm's investment leadership, for incorporating ESG into the firm's investment processes and building scalable sustainable investment products and customized solutions across asset classes, and in alpha-seeking and index strategies.

The Global Head of BlackRock Investment Stewardship oversees the development of the firm's global engagement principles and regional proxy voting guidelines, and ensures consistent execution of these governing documents in the team's analysis and corporate engagement to evaluate portfolio company corporate governance.

In addition to the roles above, investment group leadership, including group heads of sustainable and responsible investment, set policy and are accountable for ESG integration into the investment processes and portfolio objectives for their respective businesses. The Investment Sub-Committee of BlackRock's Global Executive Committee oversees investment process consistency across the firm's investment groups.

The Global Head of BSI and the Global Head of BIS take leadership roles and direct the firm's sustainability efforts in consultation with colleagues who have relevant expertise in sustainable investing and corporate responsibility. The Chief Corporate Sustainability Officer reviews sustainable investment association memberships.

SG 07.3 Indicate the number of dedicated responsible investment staff your organisation has.

73

SG 07.4 Additional information. [Optional]

Additional oversight/accountability and implementation responsibilities apply to:

- Global Head of Responsible Investment, Global Fixed Income
- Head of Sustainable Investing, Systematic Active Equity

- Global Head of Sustainable Investing, BlackRock Alternative Investors
- Global Head of Real Assets ESG Integration
- Global Head of BlackRock Investment Stewardship

SG 07 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investor relations

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (1)

- Global Head of ESG Integration
- Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues

Other role, specify (2)

- Global Head of Investment Stewardship
- Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues

SG 07.6 CC	For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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BlackRock is deeply committed to sustainability as an organization and we have implemented a wide range of sustainability initiatives over the last several years that are important to BlackRock's long-term strategy and our ability to continue to deliver value to our shareholders over the long-term. BlackRock's Board of Directors provides oversight of BlackRock's sustainability activities. Our Board engages with senior leaders on near- and long-term business strategy and reviews management's performance in delivering on our framework for long-term value creation. Sustainability matters, including climate-related issues – from ESG integration to sustainable investment strategies to investment stewardship to corporate sustainability – are an increasingly important component of the firm's overall business strategy and the objectives of senior management over which the Board has oversight. The Board receives updates on overall strategy including BlackRock's strategy as it relates to its sustainability agenda including sustainable investing, investment stewardship, ESG integration into risk management processes, the ongoing research and development related to sustainability analytics in Aladdin, and corporate sustainability and disclosure efforts.

The Nominating & Governance Committee ("NGC") of BlackRock's Board has specific oversight responsibility over the activities of BlackRock's investment stewardship, social impact, and corporate sustainability functions and receives periodic updates from their leadership teams. The NGC also periodically reviews

BlackRock's policies, programs and significant publications relating to environmental (including climate change), social, and other sustainability matters in coordination with the other standing Committees of the Board. In addition, the duties of the NGC include reviews of BlackRock's philanthropic program and its strategy, which is focused on efforts to support a more inclusive and sustainable economy. As appropriate, NGC makes recommendations on these matters to be reviewed by the full Board.

SG 07.8 CC Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other

Specify

We broadly encourage disclosure by investment managers through our investment stewardship activities, including participation in the Climate Action 100+ group and its sponsoring organizations.

- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

SG 08 Voluntary Additional Assessed General

SG 08.1 Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Other C-level staff or head of department

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Investment analysts

SG 08.1a RI in objectives, appraisal and/or reward

<input checked="" type="checkbox"/>	Responsible investment KPIs and/or goals included in objectives
<input type="checkbox"/>	Responsible investment included in appraisal process
<input type="checkbox"/>	Variable pay linked to responsible investment performance
<input type="checkbox"/>	None of the above
SG 08.1b	RI in personal development and/or training plan
<input checked="" type="checkbox"/>	Responsible investment included in personal development and/or training plan
<input type="checkbox"/>	None of the above

Dedicated responsible investment staff

SG 08.1a	RI in objectives, appraisal and/or reward
<input checked="" type="checkbox"/>	Responsible investment KPIs and/or goals included in objectives
<input checked="" type="checkbox"/>	Responsible investment included in appraisal process
<input checked="" type="checkbox"/>	Variable pay linked to responsible investment performance
<input type="checkbox"/>	None of the above
SG 08.1b	RI in personal development and/or training plan
<input checked="" type="checkbox"/>	Responsible investment included in personal development and/or training plan
<input type="checkbox"/>	None of the above

Other role (1) [from SG 07]

Global Head of ESG Integration

SG 08.1a	RI in objectives, appraisal and/or reward
<input checked="" type="checkbox"/>	Responsible investment KPIs and/or goals included in objectives
<input checked="" type="checkbox"/>	Responsible investment included in appraisal process
<input checked="" type="checkbox"/>	Variable pay linked to responsible investment performance
<input type="checkbox"/>	None of the above
SG 08.1b	RI in personal development and/or training plan
<input checked="" type="checkbox"/>	Responsible investment included in personal development and/or training plan
<input type="checkbox"/>	None of the above

Other role (2) [from SG 07]

Global Head of Investment Stewardship

SG 08.1a	RI in objectives, appraisal and/or reward
<input checked="" type="checkbox"/>	Responsible investment KPIs and/or goals included in objectives
<input checked="" type="checkbox"/>	Responsible investment included in appraisal process
<input checked="" type="checkbox"/>	Variable pay linked to responsible investment performance
<input type="checkbox"/>	None of the above
SG 08.1b	RI in personal development and/or training plan
<input checked="" type="checkbox"/>	Responsible investment included in personal development and/or training plan
<input type="checkbox"/>	None of the above

SG 08.3 Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

Various teams at BlackRock, including the Portfolio Analytics Group, BlackRock Investment Stewardship, BlackRock Investment Institute, and BlackRock Sustainable Investing host training sessions to help investors and internal stakeholders understand ESG criteria, where and how to access information about issuer ESG attributes, and how to embed ESG considerations into analysis and due diligence. Formats include firm-wide open broadcasts, investment team teach-ins, and individual training sessions. Topics include sustainability investment trends, market developments, ESG research and metrics, portfolio ESG analysis, and issuer ESG performance assessment. Educational efforts also support the practical aspects of integrating ESG information, such as demonstrations to show where BlackRock's investors can access ESG information, and collaborations on how the information might be used in the investment process. External conferences and resources provide additional training which supplements BlackRock's internal initiatives.

BlackRock Investment Academy

The BlackRock Sustainable Investing team has partnered with an internal education platform, BlackRock Investment Academy, to produce ESG integration educational materials and training modules for firm-wide use. This includes a dedicated sustainable investment module, which gives users the ability to measure and track progress. Learning objectives of the module include:

- Awareness on the landscape, top client sustainability-related trends and BlackRock's approach to sustainable investing
- Understanding of BlackRock's current capabilities in ESG integration, products, data, technology and stewardship
- Ability to describe BlackRock's long-term approach to sustainability in its core operations

SG 09 **Mandatory** **Core Assessed** **PRI 4,5**

SG 09.1 Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)
Advanced
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
BlackRock employees serve as members of the PRI's Infrastructure Advisory Committee, Hedge Funds Advisory Committee, Private Equity Advisory Committee, and regularly contribute to consultations and position papers.
<input checked="" type="checkbox"/> Asian Corporate Governance Association
Your organisation's role in the initiative during the reporting period (see definitions)
Moderate
<input type="checkbox"/> Australian Council of Superannuation Investors
<input type="checkbox"/> AVCA: Sustainability Committee
<input type="checkbox"/> France Invest – La Commission ESG
<input type="checkbox"/> BVCA – Responsible Investment Advisory Board
<input checked="" type="checkbox"/> CDP Climate Change
Your organisation's role in the initiative during the reporting period (see definitions)
Moderate
<input checked="" type="checkbox"/> CDP Forests
Your organisation's role in the initiative during the reporting period (see definitions)
Basic
<input checked="" type="checkbox"/> CDP Water
Your organisation's role in the initiative during the reporting period (see definitions)
Basic
<input type="checkbox"/> CFA Institute Centre for Financial Market Integrity
<input checked="" type="checkbox"/> Climate Action 100+
Your organisation's role in the initiative during the reporting period (see definitions)
Moderate
<input type="checkbox"/> Code for Responsible Investment in SA (CRISA)
<input checked="" type="checkbox"/> Council of Institutional Investors (CII)
Your organisation's role in the initiative during the reporting period (see definitions)
Moderate
<input checked="" type="checkbox"/> Eumedion
Your organisation's role in the initiative during the reporting period (see definitions)
Advanced
<input type="checkbox"/> Extractive Industries Transparency Initiative (EITI)
<input type="checkbox"/> ESG Research Australia
<input type="checkbox"/> Invest Europe Responsible Investment Roundtable
<input type="checkbox"/> Global Investors Governance Network (GIGN)
<input checked="" type="checkbox"/> Global Impact Investing Network (GIIN)
Your organisation's role in the initiative during the reporting period (see definitions)
Basic
<input checked="" type="checkbox"/> Global Real Estate Sustainability Benchmark (GRESB)
Your organisation's role in the initiative during the reporting period (see definitions)
Advanced
<input checked="" type="checkbox"/> Green Bond Principles
Your organisation's role in the initiative during the reporting period (see definitions)
Advanced
<input type="checkbox"/> HKVCA: ESG Committee
<input checked="" type="checkbox"/> Institutional Investors Group on Climate Change (IIGCC)
Your organisation's role in the initiative during the reporting period (see definitions)
Basic
<input type="checkbox"/> Interfaith Center on Corporate Responsibility (ICCR)
<input checked="" type="checkbox"/> International Corporate Governance Network (ICGN)
Your organisation's role in the initiative during the reporting period (see definitions)

- Advanced
- Investor Group on Climate Change, Australia/New Zealand (IGCC)

Your organisation's role in the initiative during the reporting period (see definitions)
Basic

- International Integrated Reporting Council (IIRC)

Your organisation's role in the initiative during the reporting period (see definitions)
Advanced
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
BlackRock is a member of the Council of the International Integrated Reporting Council

- Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)
Moderate

- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

Responsible Investment Association Australasia (RIAA)

Your organisation's role in the initiative during the reporting period (see definitions)
Basic

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Sustainability Accounting Standards Board

Your organisation's role in the initiative during the reporting year (see definitions)
Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
BlackRock employees serve as founding members of the Standards Board (SASB), the Investor Advisory Group (IAG), and the Standards Advisory Group (SAG).

- Other collaborative organisation/initiative, specify

Task Force on Climate Related Financial Disclosures

Your organisation's role in the initiative during the reporting year (see definitions)
Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
BlackRock is a founding member of the Task Force on Climate Related Financial Disclosures

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 09.2	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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Indicate approximately what percentage (+/- 5%) of your externally managed assets under management are managed by PRI signatories.
50%

SG 10	Mandatory	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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- Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
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- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description
Knowledge sharing efforts include explanations of the sustainable investment landscape and practice at our firm, sources of ESG data and research, methods for incorporating ESG information into investment process, and analytics and reports to support investment decisions and client conversations. BlackRock Educational Academy offers clients learning sessions on sustainable investment and ESG integration. In addition, members of the firm have attended seminars and conferences, and have studied for external certifications such as the SASB Fundamentals of Sustainability Accounting Credential.

Frequency of contribution	
<input checked="" type="checkbox"/>	Quarterly or more frequently
<input type="checkbox"/>	Biannually
<input type="checkbox"/>	Annually
<input type="checkbox"/>	Less frequently than annually
<input type="checkbox"/>	Ad hoc
<input type="checkbox"/>	Other

Provided financial support for academic or industry research on responsible investment

Description	
BlackRock will occasionally commission academic or industry research on sustainable investment topics.	

Frequency of contribution	
<input type="checkbox"/>	Quarterly or more frequently
<input type="checkbox"/>	Biannually
<input type="checkbox"/>	Annually
<input type="checkbox"/>	Less frequently than annually
<input checked="" type="checkbox"/>	Ad hoc
<input type="checkbox"/>	Other

Provided input and/or collaborated with academia on RI related work

Description	
Various, including World Economic Forum: https://www.weforum.org/whitepapers/seeking-return-on-esg-advancing-the-reporting-ecosystem-to-unlock-impact-for-business-and-society	

Frequency of contribution	
<input type="checkbox"/>	Quarterly or more frequently
<input type="checkbox"/>	Biannually
<input type="checkbox"/>	Annually
<input type="checkbox"/>	Less frequently than annually
<input checked="" type="checkbox"/>	Ad hoc
<input type="checkbox"/>	Other

Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description	
Through our participation in organizations such as the Sustainability Accounting Standards Board (SASB), the international Integrated Reporting Council (IIRC), and the Task Force on Climate Related Financial Disclosure (TCFD), we influence corporate and asset manager disclosures to investors. In addition, our clients routinely consult us on disclosure practices, including ESG policies and statements of investment beliefs or responsible investment frameworks.	

Frequency of contribution	
<input checked="" type="checkbox"/>	Quarterly or more frequently
<input type="checkbox"/>	Biannually
<input type="checkbox"/>	Annually
<input type="checkbox"/>	Less frequently than annually
<input type="checkbox"/>	Ad hoc
<input type="checkbox"/>	Other

Spoke publicly at events and conferences to promote responsible investment

Description	
Our investment staff and dedicated practitioners frequently address audiences on sustainable investment practices, including innovations in investment solutions, ESG integration into investment processes, and corporate governance.	

Frequency of contribution	
<input checked="" type="checkbox"/>	Quarterly or more frequently
<input type="checkbox"/>	Biannually
<input type="checkbox"/>	Annually
<input type="checkbox"/>	Less frequently than annually
<input type="checkbox"/>	Ad hoc
<input type="checkbox"/>	Other

Wrote and published in-house research papers on responsible investment

Description	
The BlackRock Investment Institute publishes papers on investment topics including sustainable investment and ESG integration. BlackRock's Global Public Policy Group also publishes ViewPoints on investment practices, including investment stewardship. In addition, BlackRock's	

professionals may publish research in investment journals or to research networks.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Encouraged the adoption of the PRI

Description

We participate in presentations and one-to-one consultations with our clients about how they might advance their sustainable investment practice, and many clients ask for our views on joining the PRI.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description

BlackRock periodically submits letters and consultation papers to policymakers, and makes them available in the public policy section of our website at www.blackrock.com.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Wrote and published articles on responsible investment in the media

Description

BlackRock's professionals are regularly interviewed on topics related to sustainable investing and investment stewardship by members of the press representing national and regional media outlets.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

A member of PRI advisory committees/ working groups, specify

On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description

BlackRock professionals hold board and/or advisory positions with the Canadian Coalition for Good Governance, CFA Institute, CICERO Climate Finance, Eumedion, FCLT Global, International Integrated Reporting Council (IIRC), and Sustainability Accounting Standards Board (SASB), among others.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Other, specify

No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
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- 30% Club Investor Group
- Asian Corporate Governance Association (ACGA)
- Asian Investor Group on Climate Change
- Associação de Investidores no Mercado de Capitais (AMEC)
- British Property Federation (BPF)
- Broadridge Independent Steering Committee
- Business and Sustainable Development Commission Blended Finance Taskforce
- Business Roundtable
- Canadian Coalition for Good Governance
- CECP's Strategic Investor Initiative
- CICERO Climate Finance
- Climate Action 100+
- Climate Bonds Initiative
- Coalition for Inclusive Capitalism
- Commonsense Principles of Corporate Governance
- Conference Board Governance Center
- Embankment Project (organized by the Coalition for Inclusive Capitalism)
- Energy Transitions Commission
- European Commission's Expert Working Group (TAGG)
- FCLT Global (formerly Focusing Capital on the Long Term)
- Financial Reporting Council / FRC - UK Stewardship Code
- Financial Services Council (FSC)
- FSB Task Force on Climate Related Financial Disclosures (TCFD)
- Green Finance Initiative
- Harvard Law School Institutional Investor Forum
- Hong Kong Investment Fund Association
- Institut du Capitalisme Responsable
- Institutional Investors Group on Climate Change (IIGCC)
- Intentional Endowments Network (IEN)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change (IGCC) Australia/New Zealand
- Investor Network on Climate Risk (INCR)
- Investor Stewardship Group (ISG)
- Japan Stewardship Code
- PLSA Stewardship Disclosure Framework (Formally NAPF)
- Responsible Investment Association Australasia (RIAA)
- Sustainability Accounting Standards Board (SASB) / SASB Investor Advisory Group
- Sustainable Stock Exchanges Initiative
- Taiwan Stewardship Code
- The Lab (Global Innovation Lab for Climate Finance)
- The UK Investor Forum
- Towards a Resilient Financial Sector: Disclosing Physical Climate Risk & Opportunities Working Group
- Urban Land Institute (ULI) Greenprint Programme

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
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SG 11.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.
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✓ Yes

If yes
<input checked="" type="checkbox"/> Yes, individually <input type="checkbox"/> Yes, in collaboration with others

SG 11.2	Select the methods you have used.
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- Endorsed written submissions to governments, regulators or public policy-makers developed by others
- Drafted your own written submissions to governments, regulators or public-policy markers
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

SG 11.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
<input checked="" type="checkbox"/> Yes, publicly available https://www.blackrock.com/corporate/insights/public-policy/viewpoints-letters-consultations#letters-and-consultations	
<input type="checkbox"/> No	

SG 11.4	Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.
<p>As an important part of our service to clients, BlackRock advocates for public policies that we believe are in our clients' long-term best interests. We support the creation of regulatory regimes that increase financial market transparency, protect investors, and facilitate responsible growth of capital markets, while preserving consumer choice and properly balancing benefits versus implementation costs. We comment on public policy topics through our ViewPoints series of papers, which examine public policy issues and assess their implications for investors, and through letters and consultations that we periodically submit to policymakers.</p> <p>Relevant topics recently discussed with policymakers and agency representatives include sustainable investing fund taxonomy, ESG integration, and corporate ESG disclosure.</p>	

SG 12	Mandatory	Core Assessed	PRI 4
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SG 12.1	Indicate whether your organisation uses investment consultants.
<input type="checkbox"/> Yes, we use investment consultants <input checked="" type="checkbox"/> No, we do not use investment consultants.	

SG 13	Mandatory	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
<input checked="" type="checkbox"/> Yes, in order to assess future ESG factors	
	Describe
<p>Our investment teams, in partnership with BlackRock's Risk and Quantitative Analytics group, are equipped to test sensitivities and scenarios that could affect portfolio positioning and holdings with respect to risks and opportunities related to sustainability or ESG topics, including climate change.</p>	
<input checked="" type="checkbox"/> Yes, in order to assess future climate-related risks and opportunities	
	Describe
<p>Our investment teams, in partnership with BlackRock's Risk and Quantitative Analytics group, are equipped to test sensitivities and scenarios that could affect portfolio positioning and holdings with respect to risks and opportunities related to sustainability or ESG topics, including climate change.</p>	
<input type="checkbox"/> No, our organisation does not currently carry out scenario analysis and/or modelling	

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
We do the following	
<input checked="" type="checkbox"/> Allocation between asset classes <input type="checkbox"/> Determining fixed income duration <input checked="" type="checkbox"/> Allocation of assets between geographic markets <input checked="" type="checkbox"/> Sector weightings <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not consider ESG issues in strategic asset allocation	

SG 13 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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SG 13.4 CC	Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.
<input type="checkbox"/> Initial assessment <input checked="" type="checkbox"/> Incorporation into investment analysis	
	Describe
<p>BlackRock developed Carbon Beta, an investment tool which measures portfolio sensitivity against a set of different carbon tax scenarios. Recognizing the various potential paths to policy reform and carbon pricing standards - including variations across regions, prices and accompanying policies - we have leveraged Carbon Beta to generate a set of base-case carbon tax stress-test scenarios. The addition of these scenario analyses to our internal risk framework enables investors to review exposures, identify risks and opportunities, and improve outcomes in the context of carbon pricing.</p> <p>On the physical climate risks side, we are working to integrate additional climate data into Aladdin to help our investment teams develop clearer views on physical climate. With zip code-level granularity, big-data analytics allow us to compare and pinpoint the direct physical climate risks facing asset classes today, as well as in a variety of forward-looking scenarios, including a "no action" case.</p> <p>In addition, our Risk and Quantitative Analysis Group is developing risk tools that monitor exposure to carbon intensive assets. Portfolio managers and analysts are also responsible for evaluating the environmental (as well as social and governance) risks and opportunities for an industry or company as they consider potential economic issues related to their investments. The fundamental climate change issues BlackRock takes into account may include:</p>	

risks including regulatory change or litigation, opportunities such as government incentives for renewable energy, exposure to physical impacts such as flooding or other extreme weather events or changes in temperature, and social and corporate premiums placed on sustainable brands.

Datasets sourced from external vendors, including headline ESG scores, carbon data, product involvement metrics or controversies have been rolled out to Aladdin tools to support the full investment process, from research, to portfolio construction and modelling, to reporting. BlackRock's investors use Aladdin to make investment decisions, monitor portfolios and have access to ESG metrics that can inform the investment process.

For example, insurers are uniquely exposed to climate change related risks from multiple angles, both in their underwriting and their investing activities. BlackRock has performed a climate scenario analysis on US insurers' portfolios which can help investors understand climate risks and adapt investment strategies to manage them. While climate scenarios are not predictions, the analysis of how a portfolio is aligned with forward versions of economies under a 2-degree transition can help investors contextualize this risk. While insurers have a multitude of factors to consider, climate risks have evolved from long-term to medium-term issues. Analysis such as this, which demonstrates a five-year outlook, should lead investors to re-examine holdings as they determine how likely we are to achieve the goals set by the Paris Climate Agreement, or how likely technology or consumer preferences will affect certain sectors. Once an assessment has been made on material climate risks in the portfolio, insurers can start to craft company ESG policies, or at minimum create a timeline of milestones needed. Through analysis such as this our goal is to educate clients to make deliberate choices, rather than be victim to unintended consequences.

Inform active ownership

Describe
BlackRock Investment Stewardship encourages companies to conduct scenario analysis in line with the International Energy Agency's Sustainable Development Scenario which targets a rise in global temperatures to "well below 2° and pursuing efforts to limit [it] to 1.5°C," consistent with the Paris Agreement. From an engagement standpoint, this includes BIS's request that companies set greenhouse gas reduction targets among other applicable targets. BIS engages with companies in order to make more informed voting decisions. As an asset manager and a fiduciary on behalf of our clients, our decisions are determined by our assessment of how best to support long-term sustainable financial performance in the context of each company's specific circumstances.

Other

SG 13.5 CC Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6 CC Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

Yes

Describe
Over the past few years, more and more of our clients have focused on the impact of sustainability on their portfolios. This shift has been driven by an increased understanding of how sustainability-related factors can affect economic growth, asset values, and financial markets as whole. As Larry Fink writes in his 2020 Letter to CEOs, the investment risks presented by climate change are set of accelerate a significant reallocation of capital, which will in turn have a profound impact on the pricing of risk and assets around the world.
As more evidence of materiality surfaces, BlackRock has heightened its scrutiny on what we believe to be the riskiest ESG issues, including thermal coal. Pure-play thermal coal issuers pose a number of negative externalities to the risk-return profile of investments in this sector: thermal coal is extremely carbon intensive, its economic viability continues to decrease, and the sector is particularly vulnerable to environmentalist regulatory shifts. We do not believe that continuing to invest in this sector aligns with long-term investment rationale, and as a result, we are in the process of removing public securities that generate over 25% of revenues from thermal coal production from our active investment portfolios, and seek to complete this exercise by mid-2020. Additionally, our alternatives business will make no future direct investments in companies generating more than 25% of revenue from thermal coal production. We will continue to scrutinize businesses outside of this category who rely heavily on thermal coal and assess the degree to which they are transitioning away from this dependence.

No

SG 13.7 CC Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

SG 13.8 CC Indicate the climate scenarios your organisation uses.

Provider	Scenario used
IEA	<input checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input checked="" type="checkbox"/> New Policy Scenario (NPS)

IEA	<input checked="" type="checkbox"/> Current Policy Scenario (CPS)
IRENA	
Greenpeace	
Institute for Sustainable Development	
Bloomberg	
IPCC	
IPCC	
IPCC	
IPCC	
Other	
Other	
Other	

SG 14	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1
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SG 14.1 Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2 Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

Total AUM
654,800,000,000 USD
654800000000 USD

Specify the framework or taxonomy used.

BlackRock has a \$60 billion platform of dedicated sustainable investment solutions that align capital with certain behaviors, activities or outcomes via ESG, thematic, and impact approaches. This includes over \$40 billion in clean energy investments for clients who wish to access the green and energy transition sectors. We also have \$500 billion in investment solutions that eliminate exposures to certain sectors or activities through screened solutions.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3 Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description
Investment stewardship / engagement
<input type="checkbox"/> None of the above

SG 14.4 If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

BlackRock supports the Financial Stability Board's Task Force on Climate-Related Financial Disclosures ("TCFD"). The Global Head of Sustainable Investing, Brian Deese, joined the TCFD task force on behalf of BlackRock. In order to assess climate risk in portfolios, investors need adequate information to understand corporate exposures and management strategies to sustain financial success in a transitioning global economy. The TCFD works to address this need by encouraging improvements in climate-related financial disclosures. In our view, the TCFD recommendations, which include sector-specific supplemental guidance, provide a relevant roadmap for companies.

SG 14 CC	Voluntary	General
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SG 14.6 CC Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets				
Weighted average carbon intensity	Majority of assets			
Carbon footprint (scope 1 and 2)	Majority of assets			
Portfolio carbon footprint	Majority of assets			
Total carbon emissions	Majority of assets			
Carbon intensity	Majority of assets			
Exposure to carbon-related assets				
Other emissions metrics				

SG 14.7 CC Describe in further detail the key targets.

Target type	Baseline year	Target year	Description	Attachments

SG 14.8 CC Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

Processes for climate-related risks are integrated into overall risk management

Please describe

BlackRock's organizational strategy as it relates to identifying and managing material climate related risks and opportunities is two-fold: (i) firmwide infrastructure and processes to support the analysis of climate-related risks; and (ii) distributed responsibility to investment professionals to review and manage investment risks, including climate risks, in portfolios.

We outline our approach to integrating material sustainability insights into our investment processes and decision making to enhance risk-adjusted returns in our ESG Investment Statement. While processes for identifying relevant risks and opportunities vary based on client objectives, fund themes, and by asset class, our investors lead in identifying material climate related risks and opportunities in their portfolios.

The BlackRock Sustainable Investing team provide tools and knowledge to highlight the financial risk of climate issues to our investment teams and create strategies for clients seeking to mitigate or add to certain exposures driven by climate considerations. This research augments other climate risk research conducted by investment teams to benefit their portfolios directly. Climate related investment research derived from fundamental analysis, investment research firms, credit rating agencies, NGOs, and other sources helps investors analyze climate-related risks and opportunities in their portfolios. For example, our Global Fixed Income Responsible Investing Group develops tools and analyses which benefit portfolios of fixed income assets. Our Systematic Active Equity team utilizes a climate score to rank US companies by resource efficiency/carbon emissions, climate risks and opportunities; absolute levels and annual rate of change all of which are used to prioritize risks and opportunities ranging from the effects of possible carbon taxes to the impact of extreme weather on labor productivity.

By the end of 2020, all active portfolios and advisory strategies will be fully ESG integrated – meaning that, at the portfolio level, our portfolios managers will be accountable for appropriately managing exposure to ESG risks and documenting how those considerations have affected investment decisions. BlackRock's Risk and Quantitative Analysis Group ("RQA"), which is responsible for evaluating all investment, counterparty, and operational risk at the firm, will be evaluating ESG risk during its regular monthly reviews with portfolio managers to provide oversight of portfolio managers' consideration of ESG risk in their investment processes. This integration will mean that RQA – and BlackRock as a whole – considers ESG risk with the same rigor that it analyzes traditional measures such as credit and liquidity risk.

In heightening our scrutiny of ESG issues, we are continuously evaluating the risk-return profile and negative externalities posed by specific sectors as we seek to minimize risk and maximize long-term return for our clients. We continue to evaluate, in both our public and private investment portfolios, high-risk sectors that are exposed to a reallocation of capital, and we will take action to reduce exposures where doing so can enhance the risk-return profile of portfolios.

Processes for climate-related risks are not integrated into overall risk management

SG 14.9 CC Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

Yes

Please describe

Over the past several years, we have met with companies in order to understand how company leadership and boards are managing, overseeing and disclosing climate-related risks and opportunities. We target three specific outcomes in our engagements with companies regarding climate risk and the transition to a lower carbon economy: better disclosures that will contribute to improved market-level data; substantive action by companies in

addressing climate risk; and more informed voting decisions aligned with long-term value creation. In the 12 months to June 30, 2019, BlackRock engaged with over 200 companies globally on climate risk.

During our engagements, we advocate for disclosures aligned with the reporting frameworks developed by the Task Force on Climate related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB). These frameworks cover the physical, liability, and transition risks associated with climate change and guide companies in providing financially material, decision-useful information that is comparable within each industry.

The TCFD and SASB frameworks provide guidance that answers a question we receive regularly from companies during engagements: 'what should we be reporting to help inform BlackRock's decision-making?' In our initial engagements we found that, while climate risk discussions were increasing internally, many companies had not been following the development of either framework, and some were not considering climate risk an economic issue. Given that both the TCFD and SASB frameworks were finalized within the past three years and require an in-depth review of a company's business, a period of familiarization proved necessary. However, we believe the period of acclimation is over. We expect companies to increasingly align their reporting with the recommendations of both frameworks.

We encourage companies to conduct scenario analysis in line with the International Energy Agency's Sustainable Development Scenario which targets a rise in global temperatures to "well below 2° and pursuing efforts to limit [it] to 1.5°C," consistent with the Paris Agreement. From an engagement standpoint, this includes BIS's request that companies set greenhouse gas reduction targets among other applicable targets.

Where corporate disclosures are insufficient to make a thorough assessment or the company is inadequately responsive to our concerns, we will vote against directors, and, where relevant, in favor of shareholder proposals that we believe appropriately address the issue. We view this to be the appropriate escalation where we see a lack of urgency and progress. A company's board of directors is ultimately responsible for protecting the economic interests of shareholders by overseeing long-term corporate strategy and risk management. Therefore, the board of directors should expect to be held accountable if the company is not adequately addressing climate risk.

- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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0.1%

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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Area

Energy efficiency / Clean technology

Asset class invested

- Listed equity
0.01 Percentage of AUM (+/-5%) per asset class invested in the area
- Fixed income - SSA
0.01 Percentage of AUM (+/-5%) per asset class invested in the area
- Fixed income - Corporate (financial)
0.01 Percentage of AUM (+/-5%) per asset class invested in the area
- Fixed income - Corporate (non-financial)
0.01 Percentage of AUM (+/-5%) per asset class invested in the area
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
.01 Percentage of AUM (+/-5%) per asset class invested in the area
- Commodities
- Hedge funds
- Fund of hedge funds
- Other (1)
- Other (2)

Brief description and measures of investment
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- iShares Global Clean Energy ETF (ICLN) & iShares Global Water UCITS ETF (INRG) offer exposure to 30 of the largest global clean energy companies
- iShares ESG MSCI USA ETF (ESGU) invests in U.S. companies with positive ESG characteristics and risk and return characteristics similar to the parent index.
- iShares ESG MSCI USA Small-Cap ETF (ESML) seeks to produce investment results comparable to a capitalization weighted index of small-capitalization U.S. companies, while reflecting a higher allocation to those companies with favorable ESG profiles
- Low Carbon Transition Readiness Solutions aim to minimize potential risks and maximize opportunities associated with the transition to a low-carbon economy while maintaining a risk profile similar to benchmarks.

- iShares Green Bond Index Fund: seeks to deliver total return which reflects the Euro hedged version of the Barclays MSCI Green Bond Index. Bond proceeds must fund projects in qualifying environmental categories: alternative energy, energy efficiency, pollution prevention and control, sustainable water, green building and climate adaptation.
- Global Renewable Power III: We seek to use the UN SDGs as a framework to determine the specific areas of impact we measure: water savings from renewable power generation, greenhouse gas emissions avoided, job creation, community engagement, greenhouse gas emissions avoided.

Renewable energy

Asset class invested	
<input checked="" type="checkbox"/> Listed equity	0.01 Percentage of AUM (+/-5%) per asset class invested in the area
<input checked="" type="checkbox"/> Fixed income - SSA	0.01 Percentage of AUM (+/-5%) per asset class invested in the area
<input checked="" type="checkbox"/> Fixed income - Corporate (financial)	0.01 Percentage of AUM (+/-5%) per asset class invested in the area
<input checked="" type="checkbox"/> Fixed income - Corporate (non-financial)	0.01 Percentage of AUM (+/-5%) per asset class invested in the area
<input type="checkbox"/> Fixed income - Securitised	
<input type="checkbox"/> Private equity	
<input type="checkbox"/> Property	
<input checked="" type="checkbox"/> Infrastructure	0.01 Percentage of AUM (+/-5%) per asset class invested in the area
<input type="checkbox"/> Commodities	
<input type="checkbox"/> Hedge funds	
<input type="checkbox"/> Fund of hedge funds	
<input type="checkbox"/> Other (1)	
<input type="checkbox"/> Other (2)	

Brief description and measures of investment	
<ul style="list-style-type: none"> • iShares Global Clean Energy ETF (ICLN) & iShares Global Water UCITS ETF (INRG) offer exposure to 30 of the largest global clean energy companies • iShares ESG MSCI USA ETF (ESGU) invests in U.S. companies with positive ESG characteristics and risk and return characteristics similar to the parent index. • iShares ESG MSCI USA Small-Cap ETF (ESML) seeks to produce investment results comparable to a capitalization weighted index of small-capitalization U.S. companies, while reflecting a higher allocation to those companies with favorable ESG profiles • Low Carbon Transition Readiness Solutions aim to minimize potential risks and maximize opportunities associated with the transition to a low-carbon economy while maintaining a risk profile similar to benchmarks. • iShares Green Bond Index Fund: seeks to deliver total return which reflects the Euro hedged version of the Barclays MSCI Green Bond Index. Bond proceeds must fund projects in qualifying environmental categories: alternative energy, energy efficiency, pollution prevention and control, sustainable water, green building and climate adaptation. • Global Renewable Power III: We seek to use the UN SDGs as a framework to determine the specific areas of impact we measure: water savings from renewable power generation, greenhouse gas emissions avoided, job creation, community engagement, greenhouse gas emissions avoided. 	

Green buildings

Asset class invested	
<input type="checkbox"/> Listed equity	
<input checked="" type="checkbox"/> Fixed income - SSA	0.01 Percentage of AUM (+/-5%) per asset class invested in the area
<input checked="" type="checkbox"/> Fixed income - Corporate (financial)	0.01 Percentage of AUM (+/-5%) per asset class invested in the area
<input checked="" type="checkbox"/> Fixed income - Corporate (non-financial)	0.01 Percentage of AUM (+/-5%) per asset class invested in the area
<input type="checkbox"/> Fixed income - Securitised	
<input type="checkbox"/> Private equity	
<input checked="" type="checkbox"/> Property	0.01 Percentage of AUM (+/-5%) per asset class invested in the area
<input type="checkbox"/> Infrastructure	
<input type="checkbox"/> Commodities	
<input type="checkbox"/> Hedge funds	
<input type="checkbox"/> Fund of hedge funds	
<input type="checkbox"/> Other (1)	
<input type="checkbox"/> Other (2)	

Brief description and measures of investment	
<p>Our systems do not track assets in a manner called for by item SG 15.3. Therefore, our response represents a good faith estimate but may not ultimately be accurate.</p>	

- iShares Green Bond Index Fund: Fund seeks to deliver total return, taking into account capital and income returns, which reflects the total return of the Euro hedged version of the Barclays MSCI Green Bond Index. Bond proceeds must fund projects in qualifying environmental categories: alternative energy, energy efficiency, pollution prevention and control, sustainable water, green building and climate adaptation.
- Property investments may target third party certifications and standards for green building.

- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health

Asset class invested
<input checked="" type="checkbox"/> Listed equity 0.01 Percentage of AUM (+/-5%) per asset class invested in the area
<input type="checkbox"/> Fixed income - SSA
<input type="checkbox"/> Fixed income - Corporate (financial)
<input type="checkbox"/> Fixed income - Corporate (non-financial)
<input type="checkbox"/> Fixed income - Securitised
<input type="checkbox"/> Private equity
<input type="checkbox"/> Property
<input type="checkbox"/> Infrastructure
<input type="checkbox"/> Commodities
<input type="checkbox"/> Hedge funds
<input type="checkbox"/> Fund of hedge funds
<input type="checkbox"/> Other (1)
<input type="checkbox"/> Other (2)

Brief description and measures of investment
<p>Our systems do not track assets in a manner called for by item SG 15.3. Therefore, our response represents a good faith estimate but may not ultimately be accurate.</p> <ul style="list-style-type: none"> • BSF Impact World Equity Fund & BlackRock Impact U.S. Equity Fund: Funds seek to invest in companies which make a measurable positive difference to society in the areas of health, citizenship and the environment. Portfolio holdings reflect high impact disease research, corporate citizenship, fewer ethics controversies, fewer legal actions, and more green innovations. • iShares MSCI Global Impact ETF (SDG): Fund seeks to track the investment results of an index composed of positive impact companies that derive a majority of their revenue from products and services that address at least one of the world's major social and environmental challenges as identified by the United Nations Sustainable Development Goals. • BlackRock Impact Bond Fund: Fund seeks to invest in companies which make a measurable positive difference to society in the areas of health, citizenship and the environment. Portfolio holdings reflect high impact disease research, corporate citizenship, fewer ethics controversies, fewer legal actions, and more green innovations.

- Water

Asset class invested
<input checked="" type="checkbox"/> Listed equity 0.01 Percentage of AUM (+/-5%) per asset class invested in the area
<input type="checkbox"/> Fixed income - SSA
<input type="checkbox"/> Fixed income - Corporate (financial)
<input type="checkbox"/> Fixed income - Corporate (non-financial)
<input type="checkbox"/> Fixed income - Securitised
<input type="checkbox"/> Private equity
<input type="checkbox"/> Property
<input type="checkbox"/> Infrastructure
<input type="checkbox"/> Commodities
<input type="checkbox"/> Hedge funds
<input type="checkbox"/> Fund of hedge funds
<input type="checkbox"/> Other (1)
<input type="checkbox"/> Other (2)

Brief description and measures of investment
<p>Our systems do not track assets in a manner called for by item SG 15.3. Therefore, our response represents a good faith estimate but may not ultimately be accurate.</p> <ul style="list-style-type: none"> • iShares Global Water UCITS ETF: The Fund seeks to track the performance of an index composed of 50 of the largest global companies engaged in water related businesses.

- Other area, specify

SG 16	Mandatory	Descriptive	General
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SG 16.1 Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Money market instruments	<p>The BlackRock Global Cash Management team developed a framework to incorporate ESG metrics into our existing investment process. ESG assessments are a natural extension of our credit process whereby BlackRock employs data or other ESG risk metrics including ratings provided by independent research vendors to determine the efficacy of an issuer's ESG practices. BlackRock has also developed a "Responsible Cash" ESG rating methodology in order to help inform our security selection process.</p> <p>While a host of factors, both fundamental and technical, are evaluated prior to purchasing or selling a security, an ESG risk assessment will also be undertaken by the portfolio management team. Material ESG information as it relates to the outlook for a particular credit will be evaluated by the team utilizing a mix of third party and internally sourced data and ratings in addition to a qualitative assessment formulated by our team.</p> <p>We expect the integration of ESG factors into the credit research process will help shape the composition of eligible investments on our Approved Eligible Issuers Lists as maintained by the Cash Management Credit team, as well as help inform our security selection process.</p>
Other (1) [as defined in Organisational Overview module]	Please refer to our Selection and Monitoring module for more information about ESG incorporation into our advisory activities.

SG 17	Mandatory	Descriptive	General
-------	-----------	-------------	---------

SG 17.1 Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Hedge funds - DDQ	<div style="background-color: #0070C0; color: white; padding: 2px;">Select whether you use the PRI Hedge Fund DDQ</div> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
Hedge funds	<p>BlackRock Alternative Advisors (BAA) evaluates funds and co-investments across the spectrum of hedge fund strategies in an effort to identify investments that have an advantage relative to other market participants. We consider effective ESG assessment to be an important component of our due diligence process on hedge funds and co-investments.</p> <p>When evaluating hedge funds, BAA's ESG assessment will focus primarily on the fund management company's principles and processes for responsible investment. More detailed fund-specific requirements may depend on the individual fund's investment strategy. BAA's approach to ESG will be embedded within the sourcing, evaluation, approval and monitoring of hedge fund investments. When assessing a manager's practices, BAA is cognizant of differences in approach across hedge fund strategies and geographies and evaluates hedge funds relative to those differences.</p> <p>Risk/return profiles, the degree of transparency, and the availability of data can differ substantially between investments in hedge funds and co-investments. There are additional nuances when considering ESG within BAA's investment process for co-investments. BAA seeks to understand relevant ESG considerations when sourcing, evaluating and monitoring coinvestments; further, BAA regularly monitors portfolios comprised of co-investments for potential exposure to various risks, inclusive of material ESG-related exposures.</p>
Hedge funds - DDQ (Fund of Hedge Funds)	<div style="background-color: #0070C0; color: white; padding: 2px;">Select whether you use the PRI Hedge Fund DDQ</div> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
Fund of hedge funds	<p>BlackRock Alternative Advisors (BAA) evaluates funds and co-investments across the spectrum of hedge fund strategies in an effort to identify investments that have an advantage relative to other market participants. We consider effective ESG assessment to be an important component of our due diligence process on hedge funds and co-investments.</p> <p>When evaluating hedge funds, BAA's ESG assessment will focus primarily on the fund management company's principles and processes for responsible investment. More detailed fund-specific requirements may depend on the individual fund's investment strategy. BAA's approach to ESG will be embedded within the sourcing, evaluation, approval and monitoring of hedge fund investments. When assessing a manager's practices, BAA is cognizant of differences in approach across hedge fund strategies and geographies and evaluates hedge funds relative to those differences.</p> <p>Risk/return profiles, the degree of transparency, and the availability of data can differ substantially between investments in hedge funds and co-investments. There are additional nuances when considering ESG within BAA's investment process for co-investments. BAA seeks to understand relevant ESG considerations when sourcing, evaluating and monitoring coinvestments; further, BAA regularly monitors portfolios comprised of co-investments for potential exposure to various risks, inclusive of material ESG-related exposures.</p>
Other (1) [as defined in Organisational Overview module]	Our multi-asset portfolios are comprised of other asset classes included in the reporting framework.

Other (2) [as defined in Organisational Overview module]	Please refer to our Selection and Monitoring report for more detail on our ESG integration activities into our advisory business.
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SG 17.2 Additional information.

BlackRock manages 100% of assets internally, and does not have any externally managed assets. However, because the PRI reporting tool requires externally managed assets to enable reporting of our manager selection activities under the SAM module, we have elected to identify our Client Portfolio Solutions, Private Equity Partners, BlackRock Alternative Advisors, and Infrastructure Solutions businesses as externally managed.

SG 18	Voluntary	Descriptive	General
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SG 18.1 Indicate whether any specific features of your approach to responsible investment are particularly innovative.

Yes

SG 18.2 Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

BlackRock provides institutional quality solutions, industry thought leadership, research and tools to make sustainable investing more transparent and accessible to our investors. The BlackRock Sustainable Investing team is focused on three key areas:

1. Developing the clearest possible picture of how ESG issues affect risk and long term return;
2. Integrating sustainability-related insights and data into BlackRock's investment processes across asset classes and investment styles; and
3. Delivering sustainable investment solutions across asset classes and strategies that empower clients to achieve their financial objectives.

The response to this indicator could relate to any aspects of your responsible investment processes, activities, outputs or outcomes that you consider to represent significant developments and progress in the practice of responsible investment in general or in a particular market or asset class.

Illustrative examples include:

- the introduction of longer holding periods (or portfolio turnover limits) to encourage longer-term thinking;
- new ways of delivering information or reports to clients;
- the development of innovative indicators or performance measurement tools (e.g., to track the carbon intensity or other ESG characteristics of portfolios or to link these to financial performance);
- the use of new engagement approaches that deliver better ESG or financial outcomes; and/or
- new partnerships or collaborations.

No

SG 19	Mandatory	Core Assessed	PRI 2, 6
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SG 19.1 Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Selection, Appointment and Monitoring

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries								
<table border="1" style="width: 100%;"> <tr> <th style="width: 50%;">Disclosure to public and URL</th> <th style="width: 50%;">Disclosure to clients/beneficiaries</th> </tr> <tr> <td style="vertical-align: top;"> <input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input type="checkbox"/> Other </td> <td style="vertical-align: top;"> <input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input checked="" type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input checked="" type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input type="checkbox"/> Other </td> </tr> </table>	Disclosure to public and URL	Disclosure to clients/beneficiaries	<input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input type="checkbox"/> Other	<input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input checked="" type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input checked="" type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input type="checkbox"/> Other	<table border="1" style="width: 100%;"> <tr> <th style="width: 50%;">Disclosure to public and URL</th> <th style="width: 50%;">Disclosure to clients/beneficiaries</th> </tr> <tr> <td style="vertical-align: top;"> <input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input type="checkbox"/> Other </td> <td style="vertical-align: top;"> <input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input checked="" type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input checked="" type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input type="checkbox"/> Other </td> </tr> </table>	Disclosure to public and URL	Disclosure to clients/beneficiaries	<input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input type="checkbox"/> Other	<input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input checked="" type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input checked="" type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input type="checkbox"/> Other
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Annually	Annually								
https://www.blackrock.com/corporate/literature/publication/blk-pri-public-transparency-report-2019-web.pdf									

Listed equity - Incorporation

Do you disclose?

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.
- We disclose it publicly

The information disclosed to clients/beneficiaries is the same

Yes

No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p>Disclosure to public and URL</p> <p><input checked="" type="radio"/> Broad approach to ESG incorporation</p> <p><input type="radio"/> Detailed explanation of ESG incorporation strategy used</p>	<p>Disclosure to clients/beneficiaries</p> <p><input type="radio"/> Broad approach to ESG incorporation</p> <p><input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used</p>
Annually	Annually
https://www.blackrock.com/corporate/literature/publication/blk-pri-public-transparency-report-2019-web.pdf	

Listed equity - Engagement

Do you disclose?

We do not disclose to either clients/beneficiaries or the public.

We disclose to clients/beneficiaries only.

We disclose to the public

The information disclosed to clients/beneficiaries is the same

Yes

No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p>Disclosure to public and URL</p> <p><input checked="" type="checkbox"/> Details on the overall engagement strategy</p> <p><input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals</p> <p><input checked="" type="checkbox"/> Number of engagements undertaken</p> <p><input checked="" type="checkbox"/> Breakdown of engagements by type/topic</p> <p><input checked="" type="checkbox"/> Breakdown of engagements by region</p> <p><input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives</p> <p><input checked="" type="checkbox"/> Examples of engagement cases</p> <p><input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)</p> <p><input type="checkbox"/> Details on whether the provided information has been externally assured</p> <p><input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement</p> <p><input checked="" type="checkbox"/> Other information</p> <p>Responses to public consultations, statements on stewardship codes, and versions of letters to companies</p>	<p>Disclosure to clients/beneficiaries</p> <p><input checked="" type="checkbox"/> Details on the overall engagement strategy</p> <p><input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals</p> <p><input checked="" type="checkbox"/> Number of engagements undertaken</p> <p><input checked="" type="checkbox"/> Breakdown of engagements by type/topic</p> <p><input checked="" type="checkbox"/> Breakdown of engagements by region</p> <p><input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives</p> <p><input checked="" type="checkbox"/> Examples of engagement cases</p> <p><input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)</p> <p><input type="checkbox"/> Details on whether the provided information has been externally assured</p> <p><input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement</p> <p><input checked="" type="checkbox"/> Other information</p> <p>Responses to public consultations, statements on stewardship codes, and versions of letters to companies</p>
Quarterly or more frequently	Quarterly or more frequently
https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-and-voting-history	

Listed equity – (Proxy) Voting

Do you disclose?

We do not disclose to either clients/beneficiaries or the public.

We disclose to clients/beneficiaries only.

We disclose to the public

The information disclosed to clients/beneficiaries is the same

Yes

No

Disclosure to public and URL

Disclosure to public and URL	
<input checked="" type="checkbox"/> Disclose all voting decisions <input type="checkbox"/> Disclose some voting decisions <input type="checkbox"/> Only disclose abstentions and votes against management	
Annually	
https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-and-voting-history https://www.blackrock.com/corporate/literature/publication/blk-annual-stewardship-report-2018.pdf	

Fixed income

Do you disclose?	
<input type="checkbox"/> We do not disclose to either clients/beneficiaries or the public. <input type="checkbox"/> We disclose to clients/beneficiaries only. <input checked="" type="checkbox"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Disclosure to public and URL	Disclosure to clients/beneficiaries								
<table border="1"> <tr> <td colspan="2">Disclosure to public and URL</td> </tr> <tr> <td colspan="2"> <input checked="" type="checkbox"/> Broad approach to RI incorporation <input type="checkbox"/> Detailed explanation of RI incorporation strategy used </td> </tr> </table>	Disclosure to public and URL		<input checked="" type="checkbox"/> Broad approach to RI incorporation <input type="checkbox"/> Detailed explanation of RI incorporation strategy used		<table border="1"> <tr> <td colspan="2">Disclosure to clients/beneficiaries</td> </tr> <tr> <td colspan="2"> <input type="checkbox"/> Broad approach to RI incorporation <input checked="" type="checkbox"/> Detailed explanation of RI incorporation strategy used </td> </tr> </table>	Disclosure to clients/beneficiaries		<input type="checkbox"/> Broad approach to RI incorporation <input checked="" type="checkbox"/> Detailed explanation of RI incorporation strategy used	
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<input type="checkbox"/> Broad approach to RI incorporation <input checked="" type="checkbox"/> Detailed explanation of RI incorporation strategy used									
Annually	Annually								
https://www.blackrock.com/corporate/literature/publication/blk-pri-public-transparency-report-2019-web.pdf									

Private equity

Do you disclose?	
<input type="checkbox"/> We do not disclose to either clients/beneficiaries or the public. <input type="checkbox"/> We disclose to clients/beneficiaries only. <input checked="" type="checkbox"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Disclosure to public and URL	Disclosure to clients/beneficiaries								
<table border="1"> <tr> <td colspan="2">Disclosure to public and URL</td> </tr> <tr> <td colspan="2"> <input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities <input type="checkbox"/> Information on our portfolio companies' ESG performance <input type="checkbox"/> Other </td> </tr> </table>	Disclosure to public and URL		<input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities <input type="checkbox"/> Information on our portfolio companies' ESG performance <input type="checkbox"/> Other		<table border="1"> <tr> <td colspan="2">Disclosure to clients/beneficiaries</td> </tr> <tr> <td colspan="2"> <input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities <input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance <input type="checkbox"/> Other </td> </tr> </table>	Disclosure to clients/beneficiaries		<input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities <input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance <input type="checkbox"/> Other	
Disclosure to public and URL									
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Disclosure to clients/beneficiaries									
<input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities <input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance <input type="checkbox"/> Other									
Annually	Quarterly or more frequently								
https://www.blackrock.com/corporate/literature/publication/blk-pri-public-transparency-report-2019-web.pdf									

Property

Do you disclose?	
<input type="checkbox"/> We do not disclose to either clients/beneficiaries or the public. <input type="checkbox"/> We disclose to clients/beneficiaries only. <input checked="" type="checkbox"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p>Disclosure to public and URL</p> <p><input checked="" type="checkbox"/> ESG information on how you select property investments</p> <p><input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments</p> <p><input type="checkbox"/> Information on your property investments' ESG performance</p> <p><input type="checkbox"/> Other</p>	<p>Disclosure to clients/beneficiaries</p> <p><input checked="" type="checkbox"/> ESG information on how you select property investments</p> <p><input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments</p> <p><input checked="" type="checkbox"/> Information on your property investments' ESG performance</p> <p><input checked="" type="checkbox"/> Other</p> <p>Specify</p> <p>Performance within industry ESG Benchmarks</p>
Annually	Quarterly or more frequently
https://www.blackrock.com/corporate/literature/publication/blk-pri-public-transparency-report-2019-web.pdf	

Infrastructure

Do you disclose?

We do not disclose to either clients/beneficiaries or the public.

We disclose to clients/beneficiaries only.

We disclose to the public

The information disclosed to clients/beneficiaries is the same

Yes

No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p>Disclosure to public and URL</p> <p><input checked="" type="checkbox"/> ESG information on how you select infrastructure investments</p> <p><input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments</p> <p><input type="checkbox"/> Information on your infrastructure investments' ESG performance</p>	<p>Disclosure to clients/beneficiaries</p> <p><input checked="" type="checkbox"/> ESG information on how you select infrastructure investments</p> <p><input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments</p> <p><input checked="" type="checkbox"/> Information on your infrastructure investments' ESG performance</p>
Annually	Annually
https://www.blackrock.com/corporate/literature/publication/blk-pri-public-transparency-report-2019-web.pdf	

Hedge Funds

Do you disclose?

We do not disclose to either clients/beneficiaries or the public.

We disclose to clients/beneficiaries only.

We disclose to the public

The information disclosed to clients/beneficiaries is the same

Yes

No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p>Disclosure to public and URL</p> <p><input checked="" type="radio"/> Broad approach to RI incorporation for all strategies</p> <p><input type="radio"/> Detailed explanation of RI incorporation for each strategy used</p>	<p>Disclosure to clients/beneficiaries</p> <p><input type="radio"/> Broad approach to RI incorporation for all strategies</p> <p><input checked="" type="radio"/> Detailed explanation of RI incorporation for each strategy used</p>
Annually	Ad hoc/when requested
https://www.blackrock.com/corporate/literature/publication/blk-pri-public-transparency-report-2019-web.pdf	

SG Checks

Checks

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

SAM 01.1 Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

Active investment strategies					
Active investment strategies	Listed Equity	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised
Screening	<input checked="" type="checkbox"/>				
Thematic	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>				
None of the above	<input type="checkbox"/>				

Passive investment strategies					
Passive investment strategies	Listed Equity	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Fixed income - Securitised
Screening	<input checked="" type="checkbox"/>				
Thematic	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>				
None of the above	<input type="checkbox"/>				

SAM 02.1 Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised	Private equity	Infrastructure
Your organisation's investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>						
ESG incorporation requirements	<input checked="" type="checkbox"/>						
ESG reporting requirements	<input checked="" type="checkbox"/>						
Other	<input type="checkbox"/>						
No RI information covered in the selection documentation	<input type="checkbox"/>						

SAM 02.2 Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach

Strategy							
	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised	Private equity	Infrastructure
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input checked="" type="checkbox"/>						
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>						
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>						
Review the manager's firm-level vs. product-level approach to RI	<input checked="" type="checkbox"/>						
Assess the ESG definitions to be used	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Other	<input type="checkbox"/>						
None of the above	<input type="checkbox"/>						

ESG people/oversight							
	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised	Private equity	Infrastructure
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>						
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>						
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>						

Review the manager's RI-promotion efforts and engagement with the industry	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Other	<input type="checkbox"/>	<input type="checkbox"/>					
None of the above	<input type="checkbox"/>	<input type="checkbox"/>					

Process/portfolio construction/investment valuation							
	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised	Private equity	Infrastructure
Review the process for ensuring the quality of the ESG data used	<input checked="" type="checkbox"/>						
Review and agree the use of ESG data in the investment decision making process	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>				
Review and agree the impact of ESG analysis on investment decisions	<input checked="" type="checkbox"/>						
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input checked="" type="checkbox"/>						
Review and agree manager's ESG risk framework	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input checked="" type="checkbox"/>						
Review how ESG materiality is evaluated by the manager	<input checked="" type="checkbox"/>						
Review process for defining and communicating on ESG incidents	<input checked="" type="checkbox"/>						
Review and agree ESG reporting frequency and detail	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Other, specify	<input type="checkbox"/>						
None of the above	<input type="checkbox"/>						

SAM 02.3 Indicate the selection process and its ESG/RI components

- Review ESG/RI responses to RfP, RfI, DDQ etc.
- Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- Review publicly available information on ESG/RI
- Review assurance process on ESG/RI data and processes
- Review PRI Transparency Reports
- Request and discuss PRI Assessment Reports
- Meetings with the potential shortlisted managers covering ESG/RI themes
- Site visits to potential managers offices
- Other, specify

SAM 02.4 When selecting external managers does your organisation set any of the following:

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised	Private equity	Infrastructure
ESG performance development targets	<input type="checkbox"/>						
ESG score	<input checked="" type="checkbox"/>						
ESG weight	<input checked="" type="checkbox"/>						
Real world economy targets	<input type="checkbox"/>						
Other RI considerations	<input checked="" type="checkbox"/>						
None of the above	<input type="checkbox"/>						

You selected an 'Other' option in table SAM 02.4 above, please specify

Existence of ESG incorporation into the investment process
 Private Equity and Infrastructure: Incorporation of ESG into the incentives of underlying portfolio companies and management

SAM 02.5 Describe how the ESG information reviewed and discussed affects the selection decision making process.[OPTIONAL]

Client Portfolio Solutions BlackRock's Client Portfolio Solutions (CPS) is an investment group focused on delivering whole-portfolio asset allocation and portfolio construction services and solutions to meet our clients' growing demand for outcome-oriented investment solutions in the face of challenging markets, greater complexity and rising regulatory scrutiny. The CPS ESG Investment Principle is part of a series of investment principles that complements CPS's investment philosophy in laying the foundations for CPS's advisory and managed mandates. The Principle describes CPS's approach to the integration of financially-material ESG information into investment decisions in order to enhance risk-adjusted returns. CPS's Investment Philosophy stipulates that a full assessment of the risk and return exposures of a portfolio requires a multi-lens approach covering assets, factors and sustainability perspective. As ESG research is typically focused on company- or issuer-level information, we believe that ESG is best applied at the level of security selection. The CPS ESG Investment Principle applies to the selection and the monitoring of strategies, for their ability to incorporate material ESG information in their investment decisions. The Principle is applied through the

selection of alpha-seeking and indexing strategies that are included in CPS's advisory and managed mandates. As part of CPS's manager due diligence and monitoring process, alpha-seeking strategies are assessed on how they integrate ESG information in their investment decision process. ESG information is not the sole consideration; instead managers assess a variety of economic and financial indicators, which may include ESG issues. For indexing strategies, CPS evaluates managers who track a benchmark, and our manager due diligence process looks at how ESG insights are incorporated in their approach to proxy voting and engagement with portfolio companies. In addition to the monitoring of strategies for their ESG integration practices and as we roll out our processes for aggregating ESG data, CPS will monitor the ESG characteristics of advisory and managed mandates at the whole portfolio level. Private Equity Partners BlackRock Private Equity Partners (PEP) recognizes the ESG impacts of our its investments and is committed to managing these impacts in a responsible manner. We believe that a robust, integrated approach to ESG factors is essential to preserving and enhancing the value of our investments throughout their investment lifecycle. We consider effective ESG assessment and management to be a fundamental component of risk management. ESG review is an integral part of the initial due diligence and ongoing monitoring process for fund investments and direct co-investments. When evaluating investments, ESG risks and opportunities are fully considered alongside traditional investment approaches by the investment teams. Recognizing the characteristics of private equity investments, PEP's approach differentiates between fund investments and direct co-investments. For fund investments, underlying portfolio companies are typically not known to investors when the investment decision is made (blind pool). Thus, when evaluating the ESG practices of a General Partner (GP), PEP considers the GP's policies, material risk identification processes, ESG value contribution, monitoring practices, and ESG reporting capabilities. GPs are evaluated against current best practices observable in the private equity markets, and red flags are noted where material shortfalls are uncovered. When assessing managers' practices, PEP is cognizant of differences in approach and development. From the point of PEP's investment, PEP assesses funds and co-investments for ESG in the formal quarterly review process. BlackRock Alternative Advisors BlackRock Alternative Advisors (BAA) evaluates funds and co-investments across the spectrum of hedge fund strategies in an effort to identify investments that have an advantage relative to other market participants. We believe that sustainable investing practices, defined as incorporating ESG information into our investment decisions, can enhance returns. Therefore, we consider effective ESG assessment to be an important component of our due diligence process on hedge funds and co-investments. When evaluating hedge funds, BAA's ESG assessment will focus primarily on the fund management company's principles and processes for responsible investment. More detailed fund-specific requirements may depend on the individual fund's investment strategy. BAA's approach to ESG is embedded within the sourcing, evaluation, approval and monitoring of hedge fund investments. When assessing a manager's practices, BAA is cognizant of differences in approach across hedge fund strategies and geographies and evaluates hedge funds relative to those differences. Risk/return profiles, the degree of transparency, and the availability of data can differ substantially between investments in hedge funds and co-investments. As such, there are additional nuances when considering ESG within BAA's investment process for co-investments. BAA seeks to understand relevant ESG considerations when sourcing, evaluating and monitoring co-investments; further, BAA regularly monitors portfolios comprised of co-investments for potential exposure to various risks, inclusive of material ESG-related exposures. BlackRock Infrastructure Solutions During preliminary due diligence, BlackRock Infrastructure Solutions reviews all deal documents and completes a standardized ESG scorecard to assess the merits and risks of the potential investment. The scorecard considers a wide range of issues, including but not limited to, energy efficiency, energy supply, water efficiency, waste management, biodiversity, flood risk, contaminated land, climate change adaption, and climate risks. For co-investments, BlackRock Infrastructure Solutions conducts extensive due diligence on the underlying company or asset, just as would be completed for a direct investment. The Investment Team evaluates compliance with all environmental and social permits, reviews third party reports prepared by the Independent Engineer and Environmental Advisors, and ensures the company or asset complies with all relevant laws and regulations. Additionally, we engage directly with the Sponsor Partner to review and propose remediation for any identified ESG risk. The comprehensive due diligence is guided by the outstanding and flagged items from the ESG scorecard. BlackRock Infrastructure Solutions promotes its own ESG strategy when investing alongside a Sponsor, to evaluate whether the manager is properly equipped and committed to ESG standards. Amongst other things, BlackRock Infrastructure Solutions ensures that managers are signatories of PRI, have clear ESG policies in place, and are ready to share these policies. A key element of analysis is whether a potential partner has the capability to monitor and provide the right data points and disclosures. Additionally, as a board member, BlackRock Infrastructure Solutions provides active stewardship of governance issues, with a particular focus on ESG reporting, valuation policy, remuneration and audit.

SAM 04	Mandatory	Core Assessed	PRI 1
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SAM 04.1 Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process

- Sets standard benchmarks or ESG benchmarks
- Defines ESG objectives and/ or ESG related exclusions/restrictions
- Sets incentives and controls linked to the ESG objectives
- Requires reporting on ESG objectives
- Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- Other, specify (1)
- Other, specify (2)
- None of the above

SAM 04.2 Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.

Asset class						
<input checked="" type="checkbox"/> Private equity <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="background-color: #0070C0; color: white;">Benchmark</th> </tr> </thead> <tbody> <tr> <td> <input type="checkbox"/> Standard benchmark, specify <input checked="" type="checkbox"/> ESG benchmark, specify PEP has defined dedicated ESG benchmarks to assess and score the ESG practices of external managers. </td> </tr> <tr> <th style="background-color: #0070C0; color: white;">ESG Objectives</th> </tr> <tr> <td> <input checked="" type="checkbox"/> ESG related strategy, specify ESG review is an integral part of the due diligence and monitoring process for fund investments, direct co-investments, and secondaries. When evaluating investments, ESG risks and opportunities are fully considered alongside traditional investment approaches by the investment teams </td> </tr> <tr> <td> <input checked="" type="checkbox"/> ESG related investment restrictions, specify While the teams maintain authority and responsibility for vetting and managing their investments, BlackRock will not make new investments in our actively managed strategies in companies that derive greater than 25% of their revenues from thermal coal. Finally, for certain of our clients who have specific views on ESG we incorporate additional specifications into our side letters restricting sectors and/or geographies. </td> </tr> <tr> <td> <input checked="" type="checkbox"/> ESG integration, specify PEP assesses the external managers' policies including whether a manager is a PRI signatory, has clear ESG policies in place and is ready to share these policies with BlackRock. In addition, we review the managers' governance, and in particular whether responsibilities for ESG topics are assigned to in-house experts. </td> </tr> </tbody> </table>	Benchmark	<input type="checkbox"/> Standard benchmark, specify <input checked="" type="checkbox"/> ESG benchmark, specify PEP has defined dedicated ESG benchmarks to assess and score the ESG practices of external managers.	ESG Objectives	<input checked="" type="checkbox"/> ESG related strategy, specify ESG review is an integral part of the due diligence and monitoring process for fund investments, direct co-investments, and secondaries. When evaluating investments, ESG risks and opportunities are fully considered alongside traditional investment approaches by the investment teams	<input checked="" type="checkbox"/> ESG related investment restrictions, specify While the teams maintain authority and responsibility for vetting and managing their investments, BlackRock will not make new investments in our actively managed strategies in companies that derive greater than 25% of their revenues from thermal coal. Finally, for certain of our clients who have specific views on ESG we incorporate additional specifications into our side letters restricting sectors and/or geographies.	<input checked="" type="checkbox"/> ESG integration, specify PEP assesses the external managers' policies including whether a manager is a PRI signatory, has clear ESG policies in place and is ready to share these policies with BlackRock. In addition, we review the managers' governance, and in particular whether responsibilities for ESG topics are assigned to in-house experts.
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<input checked="" type="checkbox"/> ESG integration, specify PEP assesses the external managers' policies including whether a manager is a PRI signatory, has clear ESG policies in place and is ready to share these policies with BlackRock. In addition, we review the managers' governance, and in particular whether responsibilities for ESG topics are assigned to in-house experts.						

- Engagement, specify

PEP's diligence process includes evaluating the extent to which a manager actively engages with its portfolio companies. The assessment is part of our initial diligence process. For managers who do not have an engagement plan in place or where we have suggestions for improvement, we will work with them by providing examples of case studies and draft documentation.

- Voting, specify

- Promoting responsible investment

PEP assesses the external managers' approach to promoting responsible investment, including whether a manager is a PRI signatory. Additionally, PEP actively promotes ESG in the investment community and contributes to the dialogue around it through our speaking engagements at industry events.

- ESG specific improvements

For fund investments, underlying portfolio companies are typically not known to investors when the investment decision is made (blind pool). Thus, when evaluating the ESG practices of a General Partner (GP), PEP considers the GP's policies, material risk identification processes, ESG value contribution, monitoring practices, and ESG reporting capabilities. GPs are evaluated against current best practices observable in the private equity markets, and red flags are noted where material shortfalls are uncovered.

- Other, specify

- ESG guidelines/regulation, principles/standards, specify

PEP, when evaluating new and existing GPs, reviews their adherence to external ESG guidelines/regulation as well as their internal principles/standards.

Incentives and controls

- Fee based incentive
- Communication and remedy of breaches
- Termination
- No fee/ breach of contract

Reporting requirements

- Ad-hoc/when requested
- Annually
- Bi-annually
- Quarterly
- Monthly

- Infrastructure

Benchmark

- Standard benchmark, specify

BlackRock Infrastructure Solutions uses defined industry benchmarks and comparables for private infrastructure funds to assess relative manager and fund performance.

- ESG benchmark, specify

BlackRock Infrastructure Solutions has developed dedicated ESG metrics designed to assess and benchmark the score of ESG practices of external managers.

ESG Objectives

- ESG related strategy, specify

ESG review is an integral part of the due diligence and monitoring process for fund investments and direct co-investments. When evaluating investments, ESG risks and opportunities are fully considered alongside traditional investment approaches by the investment teams, both through in-person due diligence sessions and conference calls, as well as a dedicated ESG due diligence questionnaire used for all investments. When conducting due diligence, the Investment Team's focus is to evaluate whether the manager is properly equipped and committed to ESG standards. The Investment Team has outlined a series of best practices for General Partners that serve as a checklist during due diligence. For example, the Investment Team ensures that managers are signatories of UN PRI, have clear ESG policies in place, and are ready to share these policies. BlackRock believes that the best General Partners ensure their investors have enough information to understand the drivers of, and risks to, sustainable financial performance. As such, a key element of analysis is whether a potential partner has the capability to monitor and provide the right data points and disclosures. Additionally, as a board / LPAC member, BlackRock Infrastructure Solutions provides active stewardship of governance issues, with a particular focus on ESG reporting, valuation policy, remuneration and audit.

- ESG related investment restrictions, specify

BlackRock Infrastructure Solutions avoids investments that do not meet certain ESG criteria, and managers that display a blatant disregard for environmental, social and governance matters. This includes investments that have a negative environmental impact (e.g. thermal coal), investments where there are social and/or labor violations (e.g. exploitative labor practices, human rights violations), and investments where there is insufficient governance (e.g. presence of criminal activity, such as bribery).

- ESG integration, specify

ESG is fully integrated into BlackRock Infrastructure Solutions' Investment Process and taken into account at every step of the process across sourcing, preliminary due diligence, comprehensive due diligence, implementation and asset management.

- Engagement, specify

BlackRock Investment Stewardship uses engagement in the Asset Management process to actively review ESG issues and opportunities with our partners. These reviews are aggregated and discussed internally by the Investment Team during its semi-annual Portfolio Performance Review, where action plans are determined for any active ESG risk or value-enhancement. In investment due diligence, the Investment Team as standard negotiates side letters with sponsors that include sections on ESG in order to hold the managers accountable to assessing ESG risks and opportunities in relation to investments and reporting on these on a formal basis.

- Voting, specify

- Promoting responsible investment

BlackRock engages the global investment and corporate community to promote a sustainable financial system through a large number of coalitions and shareholder groups. In addition to those listed below, we work informally with other shareholders (where such activities are permitted under the law) to engage companies on specific issues or to promote market-wide enhancements to current practice.

- ESG specific improvements

Ensuring compliance and continual improvement in ESG practices is a one of the five core commitments of BlackRock Real Assets' sustainable investing policy (of which BlackRock Infrastructure Solutions forms a part). We recognize that, as the infrastructure sector matures, its policies must evolve. As such, our objective is to strive for continuous improvement in our policy, assessment tools, monitoring program, and reporting to our clients.

- Other, specify

- ESG guidelines/regulation, principles/standards, specify

The BlackRock Real Assets Sustainable Investing Policy outlines BlackRock Real Assets' position on sustainable investing, including ESG integration, across all of our real estate and infrastructure investments and related activities. It applies to all of our Real Assets employees, business activities and investments across our global platform. The Policy also provides our employees with guidelines on how sustainable investing principles, including ESG considerations, can be further embedded into our business. The document also acts as our formal statement on sustainability and is made publicly available through various communication channels and whenever requested by clients, investment partners and other stakeholders. The Policy outlines our sustainable investing philosophy and principles, which are underpinned by five core commitments to: • Fully embed sustainable investing principles; • Mitigate ESG risk and maximise opportunities; • Understand the materiality of specific ESG issues; • Ensure compliance and continual improvement; and • Remain transparent on our ESG performance.

Incentives and controls

- Fee based incentive
- Communication and remedy of breaches
- Termination
- No fee/ breach of contract

Reporting requirements

- Ad-hoc/when requested
- Annually
- Bi-annually
- Quarterly
- Monthly

SAM 04.3

Indicate which of these actions your organisation might take if any of the requirements are not met

- Discuss requirements not met and set project plan to rectify
- Place investment manager on a "watch list"
- Track and investigate reason for non-compliance
- Re-negotiate fees
- Failing all actions, terminate contract with the manager
- Other, specify
- No actions are taken if any of the ESG requirements are not met

SAM 05

Mandatory

Core Assessed

PRI 1

SAM 05.1

When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitized	Private equity	Infrastructure
ESG objectives linked to investment strategy (with examples)	<input checked="" type="checkbox"/>						
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input checked="" type="checkbox"/>						
Compliance with investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>						
ESG portfolio characteristics	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
How ESG materiality has been evaluated by the manager in the monitored period	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Information on any ESG incidents	<input checked="" type="checkbox"/>						
Metrics on the real economy influence of the investments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>				
PRI Transparency Reports	<input checked="" type="checkbox"/>						
PRI Assessment Reports	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
RI-promotion and engagement with the industry to enhance RI implementation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				

Changes to the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>						
Other general RI considerations in investment management agreements; specify	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
None of the above	<input type="checkbox"/>						

If you select any 'Other' option(s), specify

Inclusion of ESG language in legal documents.

SAM 05.2 When monitoring external managers, does your organisation set any of the following to measure compliance/progress

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitized	Private equity	Infrastructure
ESG score	<input type="checkbox"/>	<input checked="" type="checkbox"/>					
ESG weight	<input type="checkbox"/>	<input checked="" type="checkbox"/>					
ESG performance minimum threshold	<input type="checkbox"/>						
Real world economy targets	<input type="checkbox"/>						
Other RI considerations	<input checked="" type="checkbox"/>						
None of the above	<input type="checkbox"/>						

If you select any 'Other' option(s), specify

Adherence to ESG incorporation into the investment process in accordance with stated process

SAM 08 Mandatory to Report, Voluntary to Disclose Descriptive PRI 1

SAM 08.1 Describe how you ensure that best RI practice is applied to managing your assets

Encourage improved RI practices with existing investment managers

Measures

Reported progress and new initiatives to further integrate RI information and analysis in the investment process of the strategy under consideration.

Move assets over to investment managers with better RI practices

Other, specify

Proactively include RI as a due diligence topic in questionnaires and investment manager meetings

Measures

Level of detail and specificity of the response as it pertains to the investment strategy under consideration

None of the above

SAM 09 Mandatory Additional Assessed PRI 1,6

SAM 09.1 Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

Add Example 1

Topic or issue	Environmental, social responsibility, and governance
Conducted by	Internal staff
Asset class	Private equity
Scope and process	We implement RepRisk in our secondaries investment process in order to identify ESG concerns during due diligence and over the life of our investments. This tool delivers daily ESG risk metrics and news updates for the underlying companies. This is particularly helpful in secondaries investing given that secondary investments are often highly diversified. The investment team aggregates these ESG data points and is able to use them to inform investment decisions and to highlight potential issues in existing investments early on.
Outcomes	Incorporating this ESG tool into our investment process helps us both screen out investments with ESG concerns we feel cannot be improved, and identify any emerging ESG issues in existing investments.

Add Example 2

Topic or issue	Assessing ESG incorporation
Conducted by	Internal staff
Asset class	All asset classes
Scope and process	We ask managers to describe their ESG integration practices and conduct assessments based on internal evaluation criteria.

Outcomes	We use the assessments to add a qualitative component to our quantitative assessments. We observe manager practices have improved over the time we have been asking.
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Add Example 3

Topic or issue	Assessing ESG incorporation
Conducted by	Internal staff
Asset class	All asset classes
Scope and process	Asked managers to describe their ESG integration practices and assessed responses against internal evaluation criteria.
Outcomes	The assessments added a qualitative component to risk management practices we could use with quantitative evaluations. We have observed manager practices have improved over the time we have been asking.

Add Example 4

Topic or issue	Lack of structured investment and reporting governance
Conducted by	Internal staff
Asset class	Infrastructure
Scope and process	Conducted in-depth analysis of manager investment process and governance
Outcomes	In BlackRock Infrastructure Solutions, a recent example of an ESG issue is when the Investment Team declined an opportunity to invest in a waste-to-energy plant in the Nordics due to concerns about emissions. An independent environmental study had found that the plant had not proven after one and a half years of operation to "fulfil all environmental emission regulations". Samples of the emissions that had been released into the environment were found to contain mercury and therefore did not meet the minimum levels set by regulatory bodies.

Add Example 5

Add Example 6

Add Example 7

We are not able to provide examples

SAM Checks

Checks

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

LEI 01.1

Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities; and the breakdown of your actively managed listed equities by strategy or combination of strategies.

- Screening alone (i.e., not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5% 4%

- Thematic alone (i.e., not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5% 1%

- Integration alone (i.e., not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5% 30%

- Screening and integration strategies

Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5% 1%

- Thematic and integration strategies

Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5% 1%

- Screening and thematic strategies

Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5% 1%

- All three strategies combined

Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5% 1%

- We do not apply incorporation strategies

Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5% 61%

LEI 01.2

Describe your organisation's approach to ESG incorporation and the reasons for choosing the particular strategy/strategies.

BlackRock's Active Equities division includes two groups: Systematic Active Equity (SAE) and Fundamental Active Equity (FAE).

BlackRock's Systematic Active Equity (SAE) Approach:

At the core of SAE's investment philosophy is a belief that the investment landscape is continuously changing. Innovation is required in order for any successful investment approach to adapt.

The premise of the Team's ESG/sustainability research is that companies have important interactions with the world around them, both positive and negative. Data about these interactions, which companies are not required to report, must be gathered, analyzed, and incorporated into the portfolio.

SAE has always placed an exceptionally strong emphasis on research and innovation at the heart of its investment process. We aim to achieve optimal investment outcomes by leveraging the skills of knowledgeable investment people with the use of technology. SAE ESG/sustainability insights rely on researching ideas through a rigorous, disciplined method. We believe the ability to process and analyze vast information generated both by and about companies is critical to success.

As a systematic, active investment team, SAE's research and investment processes are highly linked. This approach to investing means that the development of ESG related insights are governed by existing research norms that include team-wide collaboration, and a detailed research review process. Together, teams of researchers and portfolio managers join to identify new research topics to expand the realm of insights relevant and meaningful to our portfolios, including ESG oriented insights.

SAE's research is internally developed, and the SAE team actively integrates ESG into the investment process. As such, the team has invested significant resources researching and incorporating each ESG component into its work. In integrating environmental considerations into our process, our efforts have, among other insights, relied on our findings about carbon and productivity published in the Journal of Investment Management. With regard to social and governance issues, we have identified insights that allow us to better understand management quality, and controversies at companies, the latter evidenced by another SAE paper published in the Journal of Investment Management (which received one of that journal's annual distinction awards).

BlackRock's Fundamental Active Equity (FAE) Approach:

As part of our structured investment process, ESG risks and opportunities are considered within our fundamental analysis of companies and industries. We aim to assess financial materiality in relation to ESG via data insights integrated into our team's standard research templates shown in the BlackRock ESG Risk Window. The Risk Window, using MSCI data, flags any stock-specific concerns allowing investors to investigate them further.

Our access to company management allows us to engage on these issues through questioning management teams and conducting site visits. We look to understand how management approaches ESG risks and opportunities and the potential impact this may have on company financials. Further engagement is carried out by the BlackRock Investment Stewardship team, who meet with boards of companies frequently to evaluate how companies are strategically managing their longer-term issues, including those surrounding ESG. Through this combination of quantitative and qualitative assessment, we seek to ensure that our understanding of our investments is thorough, reliable and up-to-date.

Our understanding of ESG issues is further supported by BlackRock's Sustainable Investment Team (BSI). BSI look to advance ESG research and integration, active engagement and the development of sustainable investment solutions across the firm. BlackRock believes ESG issues have real financial impacts over the long-term.

The sustainable investing effort is embedded into our culture from the top down as we believe that a company's ability to manage ESG matters demonstrates the leadership and good governance that is essential to sustainable growth, which is why we are integrating these issues into our investment process.

LEI 01.3

If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

BlackRock's Systematic Active Equity (SAE) Approach:

ESG Integration exists across SAE portfolios. In addition to ESG Integration, exclusions (UN Norms, or otherwise) can be incorporated into portfolio construction.

LEI 02	Voluntary	Additional Assessed	PRI 1
LEI 02.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.		
<input checked="" type="checkbox"/> Raw ESG company data <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <input checked="" type="checkbox"/> Company-related analysis or ratings <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <input checked="" type="checkbox"/> Sector-related analysis or ratings <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input type="checkbox"/> In-house – specialised ESG analyst or team <input type="checkbox"/> In-house – analyst or portfolio manager <input checked="" type="checkbox"/> Country-related analysis or ratings <ul style="list-style-type: none"> <input type="checkbox"/> ESG research provider <input type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <input checked="" type="checkbox"/> Screened stock list <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input type="checkbox"/> Sell-side <input type="checkbox"/> In-house – specialised ESG analyst or team <input type="checkbox"/> In-house – analyst or portfolio manager <input checked="" type="checkbox"/> ESG issue-specific analysis or ratings <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <input type="checkbox"/> Other, specify			
LEI 02.2	Indicate whether you incentivise brokers to provide ESG research.		
<input type="radio"/> Yes <input checked="" type="radio"/> No			

LEI 03	Voluntary	Additional Assessed	PRI 1
LEI 03.1	Indicate whether your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.		
<input checked="" type="checkbox"/> Engagement <ul style="list-style-type: none"> <input checked="" type="radio"/> We have a systematic process to ensure the information is made available. <input type="radio"/> We occasionally make this information available. <input type="radio"/> We do not make this information available. <input checked="" type="checkbox"/> (Proxy) voting <ul style="list-style-type: none"> <input checked="" type="radio"/> We have a systematic process to ensure the information is made available. <input type="radio"/> We occasionally make this information available. <input type="radio"/> We do not make this information available. 			
LEI 03.2	Additional information. [Optional]		
<p>BlackRock's Investment Stewardship (BIS) team is strategically positioned as an investment function and bridges BlackRock's various portfolio management groups. The team confers regularly with portfolio managers which allows us to exchange our respective insights on material ESG topics and performance matters relevant to investment decisions, including stewardship activities. Through Aladdin, BlackRock's risk and portfolio management platform, the BIS team systematically provides its views on its governance engagements, including material environmental and social factors, to investment teams across the firm. BIS engagement insights tracked in Aladdin include engagement date and meeting topic(s), engagement sentiment, outcome of meeting and timeline for change (if applicable), and a summary analysis of the engagement meeting. This detailed integration of the BIS team's corporate governance engagement insights into Aladdin demonstrates BIS' commitment to sharing these governance insights with BlackRock's investment teams globally.</p>			

LEI 04.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
----------	--

- Negative/exclusionary screening
 - Product
 - Activity
 - Sector
 - Country/geographic region
 - Environmental and social practices and performance
 - Corporate governance

Description
Institutional investors using segregated mandates exclude certain securities for a wide range of reasons. Commingled accounts often share certain narrow exclusions.

- Positive/best-in-class screening
 - Product
 - Activity
 - Sector
 - Country/geographic region
 - Environmental and social practices and performance
 - Corporate governance

Description
All securities are scored relative to one another which allows consideration for positive/best in class screening at all times.

- Norms-based screening
 - UN Global Compact Principles
 - The UN Guiding Principles on Business and Human Rights
 - International Labour Organization Conventions
 - United Nations Convention Against Corruption
 - OECD Guidelines for Multinational Enterprises
 - Other, specify
Controversial weapons

Description
Many clients look to broader standards (such as the UN Global Compact Principles) for guidance when screening their portfolios.

LEI 04.2	Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.
----------	--

While BlackRock does not have an exclusion list for all strategies, we are experienced in applying exclusion lists on a specific portfolio or group of portfolios. These guidelines can be client directed or we can implement independent third party screens and may exclude areas such as fossil fuel, alcohol, tobacco, gambling, weapons or adult entertainment. In certain portfolios, exclusions include companies involved in violations of international norms and conventions on environment, human rights, working conditions and business ethics, such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises. We are also constructing consistent screens for common issue areas, including fossil fuels, for investors that do not have pre-defined exclusion lists.

LEI 05.1	Indicate which processes your organisation uses to ensure ESG screening is based on robust analysis.
----------	--

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies.
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar.
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- Trading platforms blocking / restricting flagged securities on the black list.
- A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions.
- A periodic review of internal research is carried out.
- Review and evaluation of external research providers.
- Other, specify
Extensive and proprietary internal research
- None of the above

LEI 05.3	Indicate how frequently third party ESG ratings are updated for screening purposes.
----------	---

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 06	Voluntary	Additional Assessed	PRI 1
LEI 06.1	Indicate which processes your organisation uses to ensure fund criteria are not breached.		
	<input checked="" type="checkbox"/> Systematic checks are performed to ensure that stocks meet the fund's screening criteria <input checked="" type="checkbox"/> Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit function <input type="checkbox"/> Periodic auditing/checking of the organisations RI funds by external party <input checked="" type="checkbox"/> Other, specify <p style="margin-left: 20px;">Active portfolio management team regularly reviews portfolio positions</p> <input type="checkbox"/> None of the above		
LEI 06.2	If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.		
	<p>For sustainable investment mandates that employ screening, BlackRock's Portfolio Compliance team will use either the services of an integrated ESG research and ratings platform or a specific list of issuers provided by the client to identify the issuers to be excluded. Portfolio Compliance will code these restricted issuers into the respective portfolio management systems to ensure the mandate is prevented from purchasing the issuers. Portfolio Compliance periodically updates the restricted lists based on new ESG research to ensure we are capturing all relevant and only applicable issuers. Portfolio Compliance monitors all issuers on a pre- and post-trade basis and if a name was added as a result of the new update or in the event of a corporate action, Portfolio Compliance will notify portfolio management of the exception and work with them to divest the security.</p>		

LEI 07	Mandatory	Descriptive	PRI 1
LEI 07.1	Indicate the type of sustainability thematic funds or mandates your organisation manages.		
	<input checked="" type="checkbox"/> Environmentally themed funds <input checked="" type="checkbox"/> Socially themed funds <input checked="" type="checkbox"/> Combination of themes		
LEI 07.2	Describe your organisation's processes relating to sustainability themed funds. [Optional]		
	<p>At BlackRock, we define sustainable investing as the combination of traditional investment approaches with environmental, social, and governance (ESG) insights to mitigate risk and enhance long-term return. We believe sustainability-related issues - ranging from board composition to human capital management to climate change - have real financial impacts. We are passionate about providing our clients with a clear picture of the relationship between sustainability issues, risk and long-term financial performance. With this picture in focus, we deliver investment solutions that empower our clients to better meet their financial objectives.</p> <p>BlackRock currently manages a broad suite of dedicated sustainable investment solutions, ranging from green bonds and renewable infrastructure to thematic strategies that allow clients to align their capital with the UN Sustainable Development Goals. BlackRock is the largest provider of sustainable ETFs, including the industry's largest low-carbon ETF; we manage one of the largest renewable power funds globally, and we are the first asset manager to offer portfolio-level impact reporting for a co-mingled green bond product. With deep expertise in alpha-seeking and index strategies, across public equity and debt, private renewable power, commodities and real asset strategies, we are continuing to build scalable products and customized solutions across asset classes. We do not view this as an exercise in trading return for social outcomes. Instead, by identifying scalable, sustainable investment solutions that can enhance long-term returns, we can improve financial outcomes for our clients and accelerate the adoption of sustainable business practices globally.</p>		

LEI 08	Mandatory	Core Assessed	PRI 1
LEI 08.1	Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.		
	ESG issues	Proportion impacted by analysis	
	Environmental	Environmental	
		<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%	
		Social	
		<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%	
	Corporate Governance	Corporate Governance	
		<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%	
LEI 08.2		Additional information. [Optional]	
	<p>SAE portfolio construction process begins with research to identify meaningful ideas that can be implemented as investment insights. The SAE team's differentiated research capabilities and cutting edge data analysis tools broaden the data sources available for potential implementation through investment insights. Our SAE team conducts significant proprietary research on ESG topics before incorporating insights into portfolios. The Journal of Investment Management awarded a Henry Markowitz Distinction award to SAE's published submission about controversies at compaies, for example.</p>		

FAE's aim is to identify and evaluate material ESG risks alongside other fundamental risks, company financials and valuation metrics. The FAE research team has integrated ESG information into research templates through the BlackRock ESG Risk Window. The BlackRock ESG Risk Window supplements investment decisions by identifying potential perceived ESG risks to a company. Instead of using an aggregate score or ranking to indicate a company's overall ESG performance, the Risk Window aims to provide portfolio managers and analysts with the most relevant underlying risk drivers and indicates whether or not the company is managing that risk. This suggests areas for further research and engagement with companies to more accurately assess each risk.

LEI 09	Mandatory	Core Assessed	PRI 1
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LEI 09.1	Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis.
----------	--

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other, specify
Dedicated, senior Portfolio Manager (Managing Director) addresses ESG/Sustainable Investing across SAE platform
- None of the above

LEI 09.2	Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.
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- <10%
- 10-50%
- 51-90%
- >90%

LEI 09.3	Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.
----------	--

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 09.4	Indicate how frequently you review internal research that builds your ESG integration strategy.
----------	---

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 09.5	Describe how ESG information is held and used by your portfolio managers.
----------	---

- ESG information is held within centralised databases or tools, and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research were incorporated into investment decisions
- Other, specify
- None of the above

LEI 09.6	Additional information. [Optional]
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As a systematic, active investment team, SAE's research and investment processes are highly linked. This approach to investing means the development of ESG related insights is governed by existing research norms that include team-wide collaboration, and a detailed research review process. Teams of researchers and portfolio managers join to identify new research topics to expand the realm of insights meaningful to our portfolios, including ESG oriented insights. SAE's research is internally developed, and SAE actively integrates ESG into the investment process. As such, the team has invested significant resources researching and incorporating each ESG component into its work. In integrating environmental considerations into our process, our efforts have relied on our findings about carbon and productivity. With regard to social and governance issues, we have identified insights that allow us to better understand management quality, and controversies at companies.

As part of FAE's structured investment process, ESG risks and opportunities are considered within our fundamental analysis of companies and industries. We aim to assess financial materiality in relation to ESG via data insights integrated into our team's standard research templates shown in the BlackRock ESG Risk Window. The Risk Window flags any stock-specific concerns allowing investors to investigate them further.

LEI 10	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 1
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LEI 10.1	Indicate which aspects of investment analysis you integrate material ESG information into.
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- Economic analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%

- 51-90%
- >90%

Industry analysis

Proportion of actively managed listed equity exposed to investment analysis
<input type="radio"/> <10%
<input type="radio"/> 10-50%
<input type="radio"/> 51-90%
<input checked="" type="radio"/> >90%

Quality of management

Proportion of actively managed listed equity exposed to investment analysis
<input type="radio"/> <10%
<input type="radio"/> 10-50%
<input type="radio"/> 51-90%
<input checked="" type="radio"/> >90%

Analysis of company strategy

Proportion of actively managed listed equity exposed to investment analysis
<input type="radio"/> <10%
<input type="radio"/> 10-50%
<input type="radio"/> 51-90%
<input checked="" type="radio"/> >90%

Portfolio weighting

Proportion of actively managed listed equity exposed to investment analysis
<input type="radio"/> <10%
<input type="radio"/> 10-50%
<input type="radio"/> 51-90%
<input checked="" type="radio"/> >90%

Security sensitivity and/or scenario analysis

Proportion of actively managed listed equity exposed to investment analysis
<input type="radio"/> <10%
<input type="radio"/> 10-50%
<input type="radio"/> 51-90%
<input checked="" type="radio"/> >90%

Fair value/fundamental analysis

Proportion of actively managed listed equity exposed to investment analysis
<input type="radio"/> <10%
<input type="radio"/> 10-50%
<input type="radio"/> 51-90%
<input checked="" type="radio"/> >90%

Other, specify

Multiple research-drive, proprietary measures

Proportion of actively managed listed equity exposed to investment analysis
<input type="radio"/> <10%
<input type="radio"/> 10-50%
<input type="radio"/> 51-90%
<input checked="" type="radio"/> >90%

LEI 10.2 Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.

- Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- Adjustments to valuation-model variables (discount rates, terminal value, perpetuity growth rates)
- Valuation multiples
- Other adjustments; specify

LEI 10.3 Describe how you integrate ESG information into portfolio weighting.

SAE processes a significant amount of information concurrently to determine ultimate portfolio positioning, which is expressed through active weighting toward or away from a benchmark in long only portfolios (or weighting implemented to achieve an absolute return outcome in portfolios without a benchmark). SAE's

investment models systematically consider the characteristics of a large number of stocks, market structure dynamics, and macro thematic considerations daily in order to construct portfolios that make optimal trade-offs. This investment process results in multiple, small position deviations, rather than a few concentrated holdings. As a result, SAE portfolios are highly diversified and individual stock positions are tightly managed.

Fundamental active portfolios are constructed with an acute awareness of risk. Working in conjunction with our Risk and Quantitative Analysis team, we ensure all risks are deliberate diversified and scaled. ESG risks, where determined material, will influence individual position sizing within a portfolio, alongside other traditional factors such as potential upside, conviction, contribution to risk and liquidity.

LEI 10.4 Describe the methods you have used to adjust the income forecast/valuation tool.

SAE processes a significant amount of information concurrently to determine ultimate portfolio positioning, which is expressed through active weighting toward or away from a benchmark in long only portfolios (or weighting implemented to achieve an absolute return outcome in portfolios without a benchmark). SAE's investment models systematically consider the characteristics of a large number of stocks, market structure dynamics, and macro thematic considerations daily in order to construct portfolios that make optimal trade-offs. This investment process results in multiple, small position deviations, rather than a few concentrated holdings. As a result, SAE portfolios are highly diversified and individual stock positions are tightly managed.

In FAE, we take a subjective view on the materiality of ESG risks/opportunities to a company's earnings and cashflows and adjust these as we see fit. This will not be viewed in isolation, but alongside other potential risks and opportunities which may impact our expected value of the shares.

LEI 10.5 Describe how you apply sensitivity and /or scenario analysis to security valuations.

SAE and FAE regularly conduct portfolio scenario and sensitivity analyses with BlackRock's Risk and Quantitative Analysis team.

LEI 10.6 Additional information. [OPTIONAL]

SAE: As a systematic, active investment team, SAE's research and investment processes are highly linked. This approach to investing means that the development of ESG related insights are governed by existing research norms that include team-wide collaboration, and a detailed research review process. Together, teams of researchers and portfolio managers join to identify new research topics to expand the realm of insights relevant and meaningful to our portfolios, including ESG oriented insights. SAE's research is internally developed, and SAE actively integrates ESG into the investment process. As such, the team has invested significant resources researching and incorporating each ESG component into its work.

FAE: As part of our structured investment process, ESG risks and opportunities are considered within our fundamental analysis of companies and industries. We aim to assess financial materiality in relation to ESG via data insights integrated into our team's standard research templates shown in the BlackRock ESG Risk Window. The Risk Window, using MSCI data, flags any stock-specific concerns allowing investors to investigate them further. Our unparalleled access to company management allows us to engage on these issues through questioning management teams and conducting site visits.

LEI 11 Mandatory to Report, Voluntary to Disclose Descriptive PRI 1

LEI 11.1 Indicate if you manage passive listed equity funds that incorporate ESG factors in the index construction methodology.

- Yes
- No

LEI 11.2 Indicate the percentage of your total passive listed equity funds for which ESG factors are incorporated in the index construction methodology.

ESG incorporation in index construction methodology (% of total passive listed equity funds)

- <10%
- 10-50%
- 51-90%
- >90%

LEI 11.3 Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategies you apply.

Index/fund 1

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Fund Name: Enhanced ESG Focus DM ETF Index Name: MSCI World ESG Enhanced Focus Index	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG factors <input type="checkbox"/> Other

Index/fund 2

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Fund Name: iShares ESG MSCI EM ETF Index Name: MSCI Emerging Markets Extended ESG Focus Index	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG factors <input type="checkbox"/> Other

Index/fund 3

Index/fund name and brief description of ESG methodology	ESG incorporation strategy

Fund Name: iShares MSCI ACWI Low Carbon Target ETF Index Name: MSCI ACWI Low Carbon Target Index	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG factors <input type="checkbox"/> Other
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Index/fund 4

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Fund Name: iShares MSCI Global Impact ETF Index Name: MSCI ACWI Sustainable Impact Index	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG factors <input checked="" type="checkbox"/> Other

Index/fund 5

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Fund Name: iShares JPX/S&P CAPEX & Human Capital ETF (1483JP) Index Name: JPX/S&P CAPEX & Human Capital Index	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG factors <input type="checkbox"/> Other

LEI 11.4 Additional information. [Optional]

The reporting framework does not allow us to list all of our iShares products (equity ETFs) which employ screens, themes, or ESG integration, or a combination. A more inclusive list follows below: •ACS World ESG Equity Tracker Fund •ACS World Low Carbon Equity Tracker Fund •ACS World Multifactor ESG Equity Tracker Fund •Canada Equity ESG Screened Fund B •CCF Developed World (ESG Screened) Index Fund •Developed ex-Fossil Fuel Index Fund B •Emerging Markets Equity ESG Screened Fund B •Europe Equity ESG Screened Fund B •iShares Carbon Efficient Index Brasil Index Fund (ECO011) •iShares Developed World ex Tobacco Index Fund (BDWUFLA) •iShares Dow Jones Eurozone Sustainability Screened UCITS ETF (SUBEEX) •iShares Dow Jones Global Sustainability Screened UCITS ETF (IGSG) •iShares Emerging Markets IMI Equity Index Fund •iShares ESG MSCI Canada Index ETF (XESG)* •iShares ESG MSCI EAFE ETF (ESGD) •iShares ESG MSCI EAFE Index ETF (XSEA)* •iShares ESG MSCI EM ETF (ESGE) •iShares ESG MSCI Emerging Markets Index ETF (XSEM)* •iShares ESG MSCI USA ETF (ESGU) •iShares ESG MSCI USA Index ETF (XSUS)* •iShares ESG MSCI USA Leaders ETF (SUSL) •iShares ESG MSCI USA Small-Cap ETF (ESML) •iShares Global Clean Energy ETF (ICLN) •iShares Global Clean Energy UCITS ETF (INRG) •iShares Jantzi Social Index Fund (XEN)* •iShares JPX/S&P CAPEX & Human Capital ETF (1483 JP) •iShares MSCI ACWI Low Carbon Target ETF (CRBN) •iShares MSCI EM ESG Enhanced UCITS ETF (EEDM) •iShares MSCI EM IMI ESG Screened UCITS ETF (SAEM) •iShares MSCI EM Islamic UCITS ETF (ISEM) •iShares MSCI EM SRI UCITS ETF (SUSM) •iShares MSCI EMU ESG Enhanced UCITS ETF (EMUD) •iShares MSCI EMU ESG Screened UCITS ETF (SAUM) •iShares MSCI Europe ESG Enhanced UCITS ETF (EEUD) •iShares MSCI Europe ESG Screened UCITS ETF (SAEU) •iShares MSCI Europe SRI UCITS ETF (IESE) •iShares MSCI Global Impact ETF (SDG) •iShares MSCI Japan ESG Enhanced UCITS ETF (EEJD) •iShares MSCI Japan ESG Screened UCITS ETF (SAJP) •iShares MSCI Japan SRI EUR Hedged UCITS ETF (SUJS LN) •iShares MSCI Japan SRI UCITS ETF (SUJP) •iShares MSCI KLD 400 Social ETF (DSI) •iShares MSCI USA ESG Enhanced UCITS ETF (EEDS) •iShares MSCI USA ESG Screened UCITS ETF (SASU) •iShares MSCI USA ESG Select ETF (SUSA) •iShares MSCI USA Islamic UCITS ETF (ISUS) •iShares MSCI USA SRI UCITS ETF (SUAS) •iShares MSCI World ESG Enhanced UCITS ETF (EEWD) •iShares MSCI World ESG Screened UCITS ETF (SAWD) •iShares MSCI World Islamic UCITS ETF (ISWD) •iShares Self-Driving EV and Tech ETF (IDRV) •iShares Thomson Reuters Inclusion and Diversity UCITS ETF (OPEN) •iShares Wholesale Screened International Equity Index Fund •Japan Equity ESG Screened Fund B •MSCI ACWI ESG Focus Index Fund A / F •MSCI ACWI ex-Fossil Fuels ESG Focus Index Fund B •Pacific Equity ESG Screened Fund B •Pacific ex-Japan Equity ESG Screened Fund B •U.S. Equity ESG Screened Fund B •World Equity ESG Screened Fund B •World Minimum Volatility Equity ESG Screened Fund B •World Small Cap Equity ESG Screened Fund B

LEI 12 Voluntary Descriptive PRI 1

LEI 12.1 Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

Screening

Describe any reduction in your starting investment universe or other effects.

Minimal exclusions are used to reduce the investible universe

Specify the percentage reduction (+/- 5%)

1%

Thematic

Integration of ESG factors

Select which of these effects followed your ESG integration.

Reduce or prioritise the investment universe

Overweight/underweight at sector level

Overweight/underweight at stock level

Buy/sell decisions

Engagement / Voting

Other; specify

None of the above

Index incorporating ESG factors (for passively managed funds)

Describe the influence on composition or other effects.

While BlackRock does not have an exclusion list for all strategies, we are experienced in applying exclusion lists on a specific portfolio or group of portfolios. These guidelines can be client directed or we can implement independent third party screens and may exclude areas such as fossil fuel, alcohol, tobacco, gambling, weapons or adult entertainment. In certain portfolios exclusions include companies involved in violations of international norms and

conventions on environment, human rights, working conditions and business ethics, such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises. We are also constructing consistent screens for common issue areas, including fossil fuel for investors that do not have pre-defined exclusion lists.

LEI 12.2 Additional information.[Optional]

BlackRock manages a number of commingled and custom strategies that explicitly incorporate ESG objectives. These strategies can exclude companies based on ESG metrics, target the highest performing ESG companies, or apply risk-based optimization to maximize ESG scores or minimize carbon exposure, while achieving similar risk/return characteristics of the benchmark.

ESG integration efforts into investment processes at BlackRock are varied and mirror the diversity of clients we serve, reflecting the range of investment strategies and styles we offer. A fundamental active equity strategy might focus on the theme of renewable energy and use environmental research in combination with financial analysis to determine which stocks to select for investment. A single strategy might employ multiple methods of ESG incorporation for various reasons. For example, a systematic active equity strategy distributed in Europe might exclude controversial weapons to meet regional regulatory requirements and satisfy client demand, and then use a combination of research-driven alpha and ESG issue models to underweight or overweight benchmark holdings while targeting positive outcomes in specific health and environment themes.

On behalf of clients in all equity portfolios, active and passive and irrespective of strategy, the BlackRock Investment Stewardship team engages with portfolio companies to address material ESG issues.

LEI 13 Voluntary Descriptive PRI 1

LEI 13.1 Provide examples of ESG factors that affected your investment view and/or performance during the reporting year.

ESG factor 1

ESG factor and explanation	Environment
ESG incorporation strategy applied	
Impact on investment decision or performance	The criterion was used in strategies in 2018 to drive portfolio construction of dedicated ESG strategies within the Systematic Active Equities (SAE) group.

ESG factor 2

ESG factor and explanation	Corporate Citizenship (social and governance)
ESG incorporation strategy applied	
Impact on investment decision or performance	The criterion was used in strategies in 2017 to drive portfolio construction of dedicated ESG strategies within the Systematic Active Equities (SAE) group.

ESG factor 3

ESG factor and explanation	Health outcomes
ESG incorporation strategy applied	
Impact on investment decision or performance	The criterion was used in strategies in 2017 to drive portfolio construction of dedicated ESG strategies within the Systematic Active Equities (SAE) group.

ESG factor 4

ESG factor and explanation	Corporate Governance: Members of the Fundamental Active Equities (FAE) Research team worked closely with members of the BlackRock Investment Stewardship team to establish the circumstances around the abrupt resignation of the chair of a European bank's supervisory board due to criticisms of her management style. Extensive research and engagement with the board influenced the FAE team's analysis and views.
ESG incorporation strategy applied	
Impact on investment decision or performance	FAE portfolio managers subsequently sold the shares from income funds, where the quality of corporate governance is a key criterion for stock selection. FAE reduced positions in the bank across other portfolios in part because FAE viewed the pace of culture change at the bank, as led by the former supervisory board chair over the last few years, was now at risk.

ESG factor 5

FAE Team Examples:

Global

Paper Company

Background:

Concerns arose surrounding changes to short-term incentive plans in the run up to a large deal being proposed

Action:

Investment analysts from the US and UK collaborated to speak with management regarding our concerns, re-emphasising our desire to focus on appropriate measurement of returns, documenting our notes on Aladdin research

Result:

Voted appropriately to reflect our view and maintain a strong dialogue with the company

Euro

Dutch Bank

Background:

Potential governance issues arising as a result of unexpected management change and departures from the Board. We were concerned about the execution of group strategy amidst this change

Action:

Followed up with calls with the Board and a meeting with management to further understand the reasoning behind the changes

Result:

Although we closely monitored the progress of new management to targets, we perceived unresolved tensions that lead to us exiting the stock

US

Natural Gas Company

Background:

This company screened well on valuation metrics but our Risk Window flagged some serious governance issues. The company was undergoing a large M&A transaction whereby management and investor interests were not aligned

Action:

We evaluated board accountability and management incentives/ compensation and looked at the historic governance track record of both companies but our research suggested significant misalignment

Result:

Although we have avoided investment, several items that concerned us have begun to be addressed by management and we continue to track progress

Emerging Markets

LatAm Energy

Background:

The company decided to transform into a holding company, injecting non-core assets into the operating company we owned. Minority shareholders had no say on the valuation transfer and were therefore effectively forced to accept the new structure at the set price, which we thought was a disappointing outcome.

Action:

We liaised directly with management to express our stance on appropriate protections for minority shareholders. The company decided to continue with the restructure regardless. As a result we sold out of the position.

Result:

Our intervention and other market pressure eventually led the company to cancel the transaction. Our loss of faith in the company corporate governance remains.

LEI Checks

Checks

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

LEA 01.1 Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

Yes

LEA 01.2 Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

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

LEA 01.3 Indicate what your active engagement policy covers:

General approach to Active Ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Methods of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other, (specify)

Proxy voting approach

(Proxy) voting approach

Voting

- ESG issues
- Prioritisation and scope of voting activities
- Methods of voting
- Transparency of voting activities
- Regional voting practice approaches
- Filing or co-filing resolutions
- Company dialogue pre/post-vote
- Decision-making processes
- Securities lending processes
- Other, (specify)

Regional issue-specific guidelines

Other

None of the above

No

LEA 01.4 Do you outsource any of your active ownership activities to service providers?

Yes

No

LEA 01.6 Additional information [optional]

We believe that companies with sound corporate governance practices, including how they manage the environmental and social risks and opportunities within their business operations, can better mitigate risk over the long-term, and thus offer the potential for better risk-adjusted returns. We focus on a range of issues that fall within each of the environmental, social and governance (ESG) categories where we assess there is potential for material long-term financial impact on a company's performance. We engage with companies held in index and active portfolios alike to encourage them to adopt the robust business practices consistent with sustainable long-term performance.

Our Investment Stewardship efforts, including our direct engagement and voting activities, aim to ensure companies deliver long-term, sustainable growth and returns for our clients. As a large investor, we are able – and have a responsibility – to monitor the companies in which we invest and to engage with them constructively and privately where we believe that would help enhance value for our clients'. As a fiduciary investor, BlackRock evaluates how companies manage the material sustainability-related risks and opportunities within their businesses. Engagement helps build mutual understanding on any issues where we are concerned that a company's practices fall short of operational excellence. It also helps us assess a company's approach to governance and other material issues in the context of its specific circumstances.

Engagement is core to our stewardship program as it helps us assess a company's approach to governance, including the management of relevant environmental

and social factors. We do not look at engagement as one conversation. We have ongoing private dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. During the reporting period ending June 30, 2019, our stewardship team held over 2,000 engagements in 42 markets to discuss governance practices and the sustainability of a company's business model.

BlackRock's approach to corporate governance and stewardship is explained in our Global Corporate Governance and Engagement Principles. These high-level principles are the framework for our more detailed, market-specific voting guidelines, all of which are published on the BlackRock website. The Principles describe our philosophy on stewardship (including how we monitor and engage with companies), our policy on voting, our integrated approach to stewardship matters and how we deal with conflicts of interest. These apply across different asset classes and products as permitted by investment strategies.

Our primary focus in engagement and voting in any year is board quality. We assess this in terms of the relevance of the skills and experience of the directors, the apparent fit of the board's profile with the stated strategy of the company, board tenure, diversity and the board's track record of representing the interests of long-term investors. We engage with companies for five main reasons:

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

Read more in our Global Corporate Governance and Engagement Principles found here <https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf>.

LEA 02	Mandatory	Core Assessed	PRI 1,2,3
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LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

LEA 02.4 Additional information. [Optional]

We have the largest stewardship team in the asset management industry with unique expertise to engage with companies on governance and business practices and long-term financial sustainability. Our team has grown steadily: from 16 in 2009, to 36 in 2018 to over 45 today. The continued global growth of the team reflects our commitment to meeting our fiduciary duty to clients through being an informed and constructive shareholder. The team achieves this primarily through engagement and proxy voting. It bridges BlackRock's various portfolio management groups and helps to and enhance value for our clients through our full range of mandates that include alpha-seeking, factor, indexing, and sustainability strategies. The team confers regularly with portfolio managers to share insights on governance and performance matters relevant to investment decisions. We have committed to increasing the size of the investment stewardship team as necessary to drive the depth and breadth of engagements to promote sound governance and business practices. This responsibility goes beyond casting proxy votes at annual meetings. It also reflects the fact that it takes people to perform the research, prepare for meetings, and conduct meaningful conversations with companies. It means investing the time and resources necessary to promote long-term value. We are committed to effectively resourcing the function to conduct more frequent and deeper conversations within local markets, allowing us to assess a company's approach to governance in the context of its specific circumstances.

We only join external groups when we believe that collective action can significantly augment our direct engagements, or are natural progressions to them, as in the case with our participation in Climate Action 100+. Even when we are aligned with the objectives of collective initiatives, we recognize that certain market participants will take different approaches to advocate for common goals.

In BlackRock's experience, collective engagement by shareholders can be effective on policy related issues such as transparency and disclosure (i.e. board disclosure, climate risk or diversity policies) or enhancements of shareholder rights. This diversity of opinion is not a flaw in the system, but a strength as it brings a range of alternative solutions to the situation. As noted above, it is not always possible to reach a consensus and in many collective engagements shareholders ultimately take their own stance directly to the company. This is even more pronounced in markets with dispersed ownership. For these reasons and given our prioritization of engagements that are closely tied to long-term value, we only occasionally engage companies in collaboration with other organizations or investors. When we do engage collaboratively, the Investment Stewardship team determines our objectives including if and how best to partner; be it with organizations such as Ceres, Sustainability Accounting Standards Board (SASB), Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), other asset managers, or with an internal partner such as our portfolio managers. Having clarity on the issue and intended outcome best determines if we will engage collaboratively.

As noted in our market-specific voting guidelines, we seek to enhance our clients' economic interest in the companies in which we invest on their behalf. It is within this context that BlackRock Investment Stewardship undertakes its corporate governance activities. We believe that well-managed companies deal effectively with the material governance as well as environmental and social ("E&S") factors relevant to their businesses. We believe robust disclosure is essential for investors to effectively gauge companies' business practices and planning related to E&S risks and opportunities.

BlackRock expects companies to issue reports aligned with the recommendations of the TCFD and the standards put forward by the SASB. We view the SASB and TCFD frameworks as complementary in achieving the goal of disclosing more financially material information, particularly as it relates to industry-specific metrics and target setting. TCFD's recommendations provide an overarching framework for disclosure on the business implications of climate change, and potentially other E&S factors. We find SASB's industry-specific guidance (as identified in its materiality map) beneficial in helping companies identify and discuss their governance, risk assessments, and performance against these key performance indicators (KPIs). Any global standards adopted, peer group benchmarking undertaken, and verification process in place should also be disclosed and discussed in this context.

BlackRock has been engaging with companies for several years on disclosure of material E&S factors. Given the increased understanding of sustainability risks

and opportunities, and the need for better information to assess them, we specifically ask companies to: 1) Publish disclosures in line with industry specific SASB guidelines by year-end, if they have not already done so, or disclose a similar set of data in a way that is relevant to their particular business; and 2) Disclose climate-related risks in line with the TCFD's recommendations, if they have not already done so. This should include the company's plan for operating under a scenario where the Paris Agreement's goal of limiting global warming to less than two degrees is fully realized, as expressed by the TCFD guidelines.

We will use these disclosures and our engagements to ascertain whether companies are properly managing and overseeing these risks within their business and adequately planning for the future. In the absence of robust disclosures, investors, including BlackRock, will increasingly conclude that companies are not adequately managing risk.

See our commentary on our approach to engagement on TCFD and SASB aligned reporting for greater detail of our expectations found here <https://www.blackrock.com/corporate/literature/publication/blk-commentary-tcf-sasb-aligned-reporting.pdf>.

LEA 03	Mandatory	Core Assessed	PRI 2
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LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagements.

Yes

LEA 03.2 Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal staff engagements	Individual / Internal staff engagements
	<input checked="" type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input checked="" type="checkbox"/> Exposure (size of holdings) <input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred <input checked="" type="checkbox"/> Responses to divestment pressure <input checked="" type="checkbox"/> Consultation with clients/beneficiaries <input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input checked="" type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Client request <input checked="" type="checkbox"/> Breaches of international norms <input checked="" type="checkbox"/> Other, (specify) <div style="background-color: #0070C0; color: white; padding: 2px;">specify</div> <input type="checkbox"/> BlackRock's engagement priorities or to follow up on a vote decision <input type="checkbox"/> We do not outline engagement criteria for our individual engagements
Collaborative engagements	Collaborative engagements
	<input checked="" type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors <input checked="" type="checkbox"/> Ability to have greater impact on ESG issues <input checked="" type="checkbox"/> Ability to add value to the collaboration <input checked="" type="checkbox"/> Geography/market of the companies targeted by the collaboration <input checked="" type="checkbox"/> Materiality of the ESG factors addressed by the collaboration <input checked="" type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input checked="" type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Alleviate the resource burden of engagement <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Other, (specify) <input type="checkbox"/> We do not outline engagement criteria for our collaborative engagement providers

No

LEA 03.3 Additional information. [Optional]

Each year, the Investment Stewardship team determines and publishes its engagement priorities. These are based on our observations of market developments and emerging governance practices over the year as well as insights gained through engagement with companies, clients and industry groups. The priorities evolve year over year as necessary. By publishing our engagement priorities, we aim to provide clients, companies, and industry participants, such as corporate advisors, more visibility into the areas on which we will be focusing and how we will engage companies on those topics.

BlackRock's Investment Stewardship priorities are:

- Governance - board composition, effectiveness, diversity, and accountability remain top priorities
- Environmental risks and opportunities - disclosure provides enhanced understanding of board and management oversight of policies, risk factors and opportunities that drive sustainable long-term financial performance
- Corporate strategy & capital allocation - a clear articulation of corporate strategy and capital allocation provide a clear sense of the direction a company intends to take
- Compensation that promotes long-termism - executive pay policies and outcomes should link closely to long-term strategy, goals, and performance
- Human capital management - in a talent constrained environment, companies should focus on sound business practices that create an engaged and stable workforce

The team identifies companies for engagement through internal processes that are based on 1) our prior history of engagement with the company, 2) our engagement priorities, 3) our vote history with the company, and 3) our assessment of a company's financial and governance performance relative to its peers. We also consider events that have impacted or may impact long-term shareholder value and the management of sector-specific concerns, which are also material to long-term shareholder value. We prioritize engagements based on our level of concern and the likelihood that engagement can lead to positive change. In many instances, we engage because companies have not provided sufficient information in their disclosures to fully inform our assessment of the quality of governance, including the exposure to and management of material environmental and social factors. We ask companies to review their reporting in light of their investors' informational needs. In our view, companies that report only to meet the regulatory disclosure requirements are missing a prime opportunity to more comprehensively engage new and existing investors about how effectively a business is led and managed. Where reporting requirements are silent on an emerging issue, we believe it is important for companies and investors to develop disclosure guidelines.

Before each engagement, the BlackRock Investment Stewardship analyst who oversees the company determines specific objectives for the meeting and how best to achieve them. Generally, we have an expectation that an engagement will help shape a company's approach to an issue, improve a company's disclosure, or inform our voting decision. We also determine with whom we should engage at the company. For instance, on matters of clarification of an issue related to a vote we would most likely engage with management representatives - the General Counsel, Corporate Secretary or head of human resources. Where we seek to understand a company's approach to its environmental and social impacts we may seek to meet with the head of corporate sustainability or a representative of the strategy team. Where we have concerns about the quality of management or board oversight, we would seek to meet with the relevant board directors, with or without management present, as appropriate.

Measuring success in stewardship needs to focus on change over the long-term as meaningful changes in business and governance practices don't happen in a single quarter, and maybe not even in one year. Company boards and management determine the strategic and operational priorities that in their judgment will best serve the interests of all the investors in the company. Market-level change requires hundreds of companies to change individually and thus takes time. Looking forward, we will continue to contribute to the dialogue at the company- and market-level to enhance business, governance and stewardship practices that are aligned with the sustainable long-term financial returns for our clients.

LEA 04	Mandatory	Core Assessed	PRI 2
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LEA 04.1	Indicate whether you define specific objectives for your organisation's engagement activities.
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Individual / Internal staff engagements	<input checked="" type="checkbox"/> All engagement activities <input type="checkbox"/> Majority of engagement activities <input type="checkbox"/> Minority of engagement activities <input type="checkbox"/> We do not define specific objectives for engagement activities carried out by internal staff
Collaborative engagements	<input checked="" type="checkbox"/> All engagement activities <input type="checkbox"/> Majority of engagement activities <input type="checkbox"/> Minority of engagement activities <input type="checkbox"/> We do not define specific objectives for engagement activities carried out through collaboration

LEA 04.2	Additional information. [Optional]
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Please see our response in LEA 03.3.

LEA 05	Mandatory	Core Assessed	PRI 2
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LEA 05.1	Indicate whether you monitor and/or review engagement outcomes.
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Individual / Internal staff engagements	<input type="checkbox"/> Yes, in all cases <input checked="" type="checkbox"/> Yes, in a majority of cases <input type="checkbox"/> Yes, in a minority of cases <input type="checkbox"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.
Collaborative engagements	<input type="checkbox"/> Yes, in all cases <input checked="" type="checkbox"/> Yes, in a majority of cases <input type="checkbox"/> Yes, in a minority of cases <input type="checkbox"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.

LEA 05.2	Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.
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Individual / Internal staff engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other, specify
Collaborative engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other, specify

LEA 05.3	Additional information. [Optional]
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The BlackRock Investment Stewardship team has developed a global engagement tracking module that facilitates our team's ability to monitor and report engagements. Features in the module allow us to record if a company is in line with our standards and expectations (as outlined in our governance principles and voting guidelines), track timeframes for change, map environmental, social, and governance (ESG) key performance indicators (KPIs) to engagement priorities and

ESG issues, and define and note engagement outcomes. This monitoring and tracking mechanism enables our team to measure progress over time, especially as many of our engagements are long-term and ongoing.

As noted in our response to LEA3.3, we assess the effectiveness of our engagements based on the achievement of the targets we set at the outset, and amend them when our understanding of the situation has changed. In setting our objectives, we work with portfolio managers and other internal and external experts to build our knowledge of the issues, propose a sound course of action, and identify desired outcomes. Thus, the measures for each engagement will be different. If we seek change, we aim to make the case to the company that the status quo is not consistent with the economic interests of long-term shareholders. We may suggest ideas for addressing the issue, but we expect the company to identify the most appropriate course of action. Finally, we monitor developments and assess whether the company has addressed our concerns. We remain open minded and may adapt our position in light of progress through the engagement.

LEA 06	Mandatory	Additional Assessed	PRI 2,4
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LEA 06.1 Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

Yes

LEA 06.2 Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- Collaborating with other investors
- Issuing a public statement
- Filing/submitting a shareholder resolution
- Voting against the re-election of the relevant directors
- Voting against the board of directors or the annual financial report
- Submitting nominations for election to the board
- Seeking legal remedy / litigation
- Reducing exposure (size of holdings)
- Divestment
- Other; specify

No

LEA 06.3 Additional information. [Optional]

On behalf of all our clients, the BlackRock Investment Stewardship team engages in a constructive manner. We believe that when a company is not effectively addressing a material issue, its directors should be held accountable. We will generally engage directly with the board or management of a company when we identify issues. Where, following engagement, we are still concerned that a company might not be dealing with the business-relevant governance, social or environmental factor raised in a shareholder proposal, we may hold the company accountable by voting against the election of relevant directors for their action or inaction.

In deciding our course of action, we will assess the company's disclosures and the nature of our engagement with the company on the issue over time, including whether:

- The company has already taken sufficient steps to address the concern
- The company is in the process of actively implementing a response
- There is a clear and material economic disadvantage to the company in the near-term if the issue is not addressed in the manner requested by a shareholder proposal

We outline our approach to engagements when we believe management is being unresponsive and our approach to voting in our Global Corporate Governance and Engagement Principles and in our regional proxy vote guidelines found here <https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf> and <https://www.blackrock.com/corporate/about-us/investment-stewardship#principles-and-guidelines>.

LEA 07	Voluntary	Additional Assessed	PRI 1,2
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LEA 07.1 Indicate whether insights gained from your organisation's engagements are shared with investment decision-makers.

Type of engagement	Insights shared
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.2 Indicate the practices used to ensure that information and insights gained through engagements are shared with investment decision-makers.

- Involving investment decision-makers when developing an engagement programme
- Holding investment team meetings and/or presentations
- Using IT platforms/systems that enable data sharing
- Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
- Other; specify
- None

LEA 07.3 Indicate whether insights gained from your organisation's engagements are shared with your clients/beneficiaries.

Type of engagement	Insights shared
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Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.4 Additional information. [Optional]

BlackRock Investment Stewardship (BIS) is strategically positioned as an investment function and bridges BlackRock's various portfolio management groups. It helps to and enhance the value of our clients' assets across the full range of mandates that includes alpha-seeking, factor, indexing, and sustainability strategies. The team confers regularly with BlackRock's equity and credit analysts and portfolio managers to share insights on material ESG topics relevant to investment decisions.

BIS provides its views on companies to investment teams via the Aladdin® platform. We share engagement data and meeting topic(s), BIS' sentiment towards the company following engagement, any outcome of the meeting and timeline for change (if applicable), and a summary analysis of the engagement meeting. Aladdin® enables us to share these governance insights with BlackRock's investment teams globally and enhance our client reporting.

LEA 08 Mandatory Gateway PRI 2

LEA 08.1 Indicate whether you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of collaborative engagements in full <input type="radio"/> Yes, we partially track the number of our collaborative engagements <input type="radio"/> We do not track

LEA 08.2 Additional information. [Optional]

In our engagement tracking system, we do not systematically distinguish between engagements that are collaborative and those that are undertaken by our internal team. This is because even collaborative engagements (or those that start out that way) will involve direct dialogue solely between the company and our internal team at some stage in the process.

We do not use a service provider for engagements. As previously noted, BlackRock has a dedicated stewardship team of 45+ professionals responsible for encouraging sound corporate governance practices at the companies in which we invest on behalf of clients through engagement and proxy voting.

LEA 09 Mandatory to Report, Voluntary to Disclose Core Assessed PRI 2

LEA 09.1 Indicate the proportion of companies in your listed equities portfolio with which your organisation engaged during the reporting year.

	We did not complete any engagements in the reporting year.	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion of companies engaged with, out of total listed equities portfolio
Individual / Internal staff engagements	<input type="checkbox"/> We did not complete any engagements in the reporting year.	2343	50
Collaborative engagements	<input type="checkbox"/> We did not complete any engagements in the reporting year.	0	0

LEA 09.2 Indicate the breakdown of engagements conducted within the reporting year by the number of interactions (including interactions made on your behalf).

No. of interactions with a company	% of engagements
One interaction	<input type="radio"/> >76% <input checked="" type="radio"/> 51-75% <input type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
2 to 3 interactions	<input type="radio"/> >76% <input type="radio"/> 51-75% <input checked="" type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None

More than 3 interactions	<input type="radio"/> >76% <input type="radio"/> 51-75% <input type="radio"/> 11-50% <input checked="" type="radio"/> 1-10% <input type="radio"/> None
Total	100%

LEA 09.5 Additional information. [Optional]

In our engagement tracking system, we do not distinguish between engagements that are collaborative and those that are undertaken by our internal team. This is because even collaborative engagements (or those that start out that way) will involve direct dialogue solely between the company and our internal team at some stage in the process.

The team's continued global growth reflects the importance we place on meeting our fiduciary duty to clients and companies' expectations of us as a significant shareholder. This responsibility goes beyond casting proxy votes at annual meetings. It also reflects the fact that it takes people to perform the research, prepare for meetings, and conduct meaningful engagement conversations with companies.

LEA 10 Voluntary Additional Assessed **PRI 2**

LEA 10.1 Indicate which of the following your engagement involved.

- Letters and emails to companies
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Meetings and/or calls with board/senior management
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Meetings and/or calls with the CSR, IR or other management
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Visits to operations
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Visits to supplier(s) in supplier(s) from the company's supply chain
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Participation in roadshows
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Other

	(specify)
	ESG research

 - In a minority of cases
 - In a majority of cases
 - In all cases

LEA 10.2 Additional information. [Optional]

The approach taken is influenced by general practice in a market (for example, ESG roadshows are more common in European markets than in the United States), the purpose of the engagement and the response from the company (for example, we may follow up an engagement with management with a letter to the board if we believe management is not being deliberate about addressing our concerns).

LEA 11 Voluntary Descriptive **PRI 2**

LEA 11.1 Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.

- Add Example 1

ESG Topic	<input checked="" type="checkbox"/> Climate Change <input checked="" type="checkbox"/> Pollution <input checked="" type="checkbox"/> General ESG <input checked="" type="checkbox"/> Sustainability reporting <input checked="" type="checkbox"/> Water risks <input checked="" type="checkbox"/> Deforestation
Conducted by	Individual / Internal
Objectives	<p>We wanted to gain a better understanding of how companies address climate-risks through their climate-related disclosures. How management articulates a company's approach to an issue can signal leading or lagging practices and performance on that issue. Better disclosures across industries and markets allow investors to:</p> <ul style="list-style-type: none"> • Make assessments based on the same universe of information • Assess board and management performance and provide more targeted feedback • Monitor change over time at both the company, industry, and market levels and companies to: • Compare their own approach to those of their peers • Speak effectively to different stakeholders • Contribute to large scale data sets
Scope and Process	<p>We engaged with companies on the Taskforce on Climate-Related Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) frameworks to promote alignment with them. BIS tries to understand any challenges a company has encountered in analyzing, reporting, or setting targets. Setting metrics and targets involves a continued evolution in all aspects of corporate behavior around climate change, including but not limited to data gathering, operations, employee training, and strategy. This evolution does not take place overnight but should keep pace with industry and market capabilities and best practices.</p>
Outcomes	Company committed to change

Add Example 2

ESG Topic	<input checked="" type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> General ESG <input checked="" type="checkbox"/> Health and Safety <input checked="" type="checkbox"/> Other governance <input checked="" type="checkbox"/> Other
Conducted by	Individual / Internal
Objectives	<p>In our various opioid-risk related engagements, we sought to explain our concerns about how opioid addiction might impact business, and hear company leadership perspectives on managing the crisis.</p>
Scope and Process	<p>We engaged with two pharmaceutical companies that received shareholder proposals asking them to report on measures to address opioid-related risks. The first company's board highlighted the work they had done internally to address these risks. However, they acknowledged that they had not produced robust disclosures and that they lagged both their peers and best practice standards. We suggested they consider SASB's framework. We asked the second company's board to describe their opioid-related initiatives, provide an overview of the board's oversight role and experience in this area, and highlight current and forthcoming disclosures. The company listed their initiatives and mentioned their forthcoming corporate responsibility report would include information about these efforts. However, the company was reticent to share more detailed information publicly and was not willing to acknowledge potential material risks associated with the opioid epidemic. They also refused to acknowledge their relationship to an organization facing significant financial and reputational risk.</p> <p>We also engaged with an American-based insulation, roofing, and fiberglass company that was heavily impacted by the opioid epidemic. The hands-on nature of the work can lead to chronic pain and injury for some employees. Treatment has traditionally involved opioid-based medications.</p>
Outcomes	Company committed to change

Add Example 3

ESG Topic	<input checked="" type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> General ESG <input checked="" type="checkbox"/> Diversity
Conducted by	Individual / Internal
Objectives	<p>We engaged on board diversity, particularly in regard to specific industry experience, at the company. We wanted to learn more about the backgrounds of the directors and the skill sets present.</p>

Scope and Process	We emphasized the importance of professional diversity when we engaged with a semiconductor company and with a steel producer, both in Taiwan. While in two different industries, the independent directors at both companies are academics. Recruiting independent directors from academia is common in Taiwan as scholars are generally highly regarded. There are several benefits of having directors that hold professorships at universities, such as better access to university talent pools and staying abreast of the latest technological developments. Nevertheless, we recommended that both companies expand the diversity of independent directors by introducing individuals with industry experience. In our view, business professionals have practical experience and knowledge that can contribute to more effective oversight of a company's operations. More importantly, the experience and skill set of board members should be complementary to and aligned with the company's long-term strategy. Thus, we encouraged the steel company to expand the director nomination pool to include participants that have experience in the Southeast Asian market, one of the key growth markets identified by the company.
Outcomes	Company committed to change

Add Example 4

ESG Topic	<input checked="" type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> Health and Safety <input checked="" type="checkbox"/> Labour practices and supply chain management <input checked="" type="checkbox"/> Other governance <input checked="" type="checkbox"/> Other
Conducted by	Individual / Internal
Objectives	We engaged with a leading Japanese airline that is enjoying growth in demand for air travel but faces a shortage of ground and cabin crew members. We wanted to understand their approach to expansion plans and to evaluate their investment in employees to execute on their growth strategy successfully.
Scope and Process	Their policies have led to a notable rise in the staff's average tenure of service. The company emphasised that service quality, such as the ability to handle unexpected operational irregularities, is one of their core competitive advantages. From the company's perspective, the key to maintaining high service quality is to improve the retention and productivity of experienced employees.
Outcomes	Increased understanding / information

Add Example 5

ESG Topic	<input checked="" type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> Anti-bribery and corruption <input checked="" type="checkbox"/> Other
Conducted by	Individual / Internal
Objectives	We wanted to make sure that succession planning went smoothly in the wake of a major financial scandal at the company.
Scope and Process	<p>One of the Nordic financial services companies we engaged with has been subject to ongoing anti-money laundering investigations from several enforcement agencies. The events led to the exit of its CEO and chairman. Further compounding the issue, some board members have left voluntarily, and many other employees have been let go due to compliance oversight shortcomings. The company's share price has suffered, and the damage to the firm's reputation has added to the challenge of finding new board members.</p> <p>Our engagement with the chairman and interim CEO was aimed at understanding and assessing the company's plan to address the board and management upheaval. We discussed priority actions amongst the broader set of items that the company needed to execute on and exchanged perspectives on the desirable skill-set for the next chairman. We focused on the importance of the board's risk oversight responsibility and the process by which the board oversees enterprise risk management practices.</p>
Outcomes	Company committed to change

Add Example 6

Add Example 7

Add Example 8

Add Example 9

Add Example 10

LEA 11.2 Additional information. [Optional]

We inform clients about our engagement policies, voting policies, and activities through direct communication and through disclosures on our website. Each year we publish an annual report, an annual engagement and voting statistics report, and our full voting record to our website. On a quarterly basis, we publish regional reports which provide an overview of our investment stewardship engagement and voting activities during the quarter, including market developments, speaking engagements, and engagement and voting statistics. We also publish a quarterly voting record and a quarterly engagements summary. We publish our market-specific voting guidelines for the benefit of clients and companies with whom we engage. All of these reports are available at <https://www.blackrock.com/corporate/about-us/investment-stewardship>.

Measuring success in stewardship needs to focus on change over the long-term as meaningful changes in business and governance practices don't happen in a single quarter, and maybe not even in one year. We use our voice as an investor to provide feedback and encourage what we consider to be good governance. Company boards and management determine the strategic and operational priorities that in their judgment will best serve the interests of all the investors in the company. Market-level change requires hundreds of companies to shift and update their practices, and thus takes time. Looking forward, we will continue to contribute to the dialogue at the company- and market-level to enhance business, governance and stewardship practices that are aligned with the long-term economic interests of our clients.

In November 2019, The Chartered Governance Institute awarded BlackRock Investment Stewardship the award for most constructive stewardship engagements 2019. Chosen amongst 20 leading UK Asset Managers, the Best Investor Engagement award is presented to the investor that FTSE350 company secretaries

consider was responsible for the best stewardship engagement during the year. This recognition is an affirmation of our view that engagement is key to enhancing corporate governance policies and management practices in support of long-term value creation for our clients.

LEA 12	Mandatory	Descriptive	PRI 2										
LEA 12.1 Indicate how you typically make your (proxy) voting decisions.													
Approach													
<input checked="" type="checkbox"/> We use our own research or voting team and make voting decisions without the use of service providers. <table border="1" data-bbox="320 349 1396 488"> <thead> <tr> <th data-bbox="320 349 464 383">Based on</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 394 1396 427"> <input checked="" type="checkbox"/> Our own voting policy </td> </tr> <tr> <td data-bbox="320 427 1396 461"> <input type="checkbox"/> Our clients' requests or policies </td> </tr> <tr> <td data-bbox="320 461 1396 495"> <input type="checkbox"/> Other (explain) </td> </tr> </tbody> </table> <input type="checkbox"/> We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions. <input type="checkbox"/> We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions. <input type="checkbox"/> We hire service providers who make voting decisions on our behalf.				Based on	<input checked="" type="checkbox"/> Our own voting policy	<input type="checkbox"/> Our clients' requests or policies	<input type="checkbox"/> Other (explain)						
Based on													
<input checked="" type="checkbox"/> Our own voting policy													
<input type="checkbox"/> Our clients' requests or policies													
<input type="checkbox"/> Other (explain)													
LEA 12.2 Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.													
<p>As our regional voting policies are applied on a case by case basis, it is not possible to vote by exception. We ensure a consistent approach to application through training of team members involved daily in proxy voting, peer review of contentious or complex vote decisions and open dialogue between team members about policy implementation insights and challenges. The proxy voting policies are reviewed annually and updated as necessary to reflect market developments, feedback from companies and our own insights gained over the course of a proxy season. Each year we do a random sample of votes cast and review the vote decisions to assess consistency with policy.</p> <p>BlackRock voting guidelines:</p> <ul style="list-style-type: none"> • Australian securities • Hong Kong securities • Asia ex Japan and Hong Kong securities • Latin America securities • Canadian securities • Europe, Middle Eastern and African (EMEA) securities • US securities • Chinese securities (in English and Simplified Chinese) • Japanese securities (in English and Japanese) <p>Our market-specific voting guidelines are available on our website at https://www.blackrock.com/corporate/about-us/investment-stewardship#principles-and-guidelines.</p>													
LEA 12.3 Additional information.[Optional]													
<p>Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Corporate Governance and Engagement Principles and custom market-specific voting guidelines.</p> <p>The BlackRock Investment Stewardship team performs independent research and analysis, coming to vote decisions that are consistent with our own voting guidelines and that we believe are in the best long-term economic interest of our clients. The team does not follow proxy advisor recommendations. The Stewardship team leverages a number of data and research platforms to evaluate a company. In our analysis, we also consider our engagement and voting history with the company, the views of our portfolio managers, and public information. Often risks are self-identified by a company's 10-K or other sustainability driven reports. We also leverage industry guidelines such as those proposed by the Sustainability Accounting Standards Board (SASB) to aid in defining standards for key performance indicators. We use environmental, social, and governance (ESG) data aggregators, such as MSCI or Sustainalytics, to provide additional insight into what may be considered as material environmental and social factors. Ultimately, we see material or business-relevant environmental and social issues as corporate governance issues, integral to successful company management.</p> <p>We primarily use proxy research firms to synthesize corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritize those companies where our own additional research and engagement would be beneficial. In summary, proxy research firms help us deploy our resources to greatest effect in meeting client expectations</p> <p>BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty to protect and enhance the value of clients' assets, using our voice as a shareholder on their behalf to ensure that companies are well led and well managed</p> <p>We use proxy research firms in our voting process, primarily to synthesize information and analysis into a concise, easily reviewable format so that our analysts can readily identify and prioritize those companies where our own additional research and engagement would be beneficial</p> <p>We do not follow any single proxy research firm's voting recommendations and in most markets we subscribe to two research providers and use several other inputs, including a company's own disclosures, in our voting and engagement analysis</p> <p>We also work with proxy research firms, which apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision</p> <p>The proxy voting operating environment is complex and we work with proxy research firms to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting</p>													
LEA 14	Voluntary	Additional Assessed	PRI 2										
LEA 14.1 Does your organisation have a securities lending programme?													
<input checked="" type="checkbox"/> Yes <table border="1" data-bbox="288 1899 1396 2065"> <thead> <tr> <th data-bbox="288 1899 432 1933">LEA 14.3</th> <th data-bbox="432 1899 1396 1933">Indicate how the issue of voting is addressed in your securities lending programme.</th> </tr> </thead> <tbody> <tr> <td data-bbox="288 1944 1396 1977"> <input type="checkbox"/> We recall all securities for voting on all ballot items </td> <td></td> </tr> <tr> <td data-bbox="288 1977 1396 2011"> <input type="checkbox"/> We maintain some holdings, so that we can vote at any time </td> <td></td> </tr> <tr> <td data-bbox="288 2011 1396 2045"> <input checked="" type="checkbox"/> We systematically recall some securities so that we can vote on their ballot items (e.g., in line with specific criteria) </td> <td></td> </tr> <tr> <td data-bbox="288 2045 1396 2065"> <input type="checkbox"/> We recall some securities so that we can vote on their ballot items on an ad-hoc basis </td> <td></td> </tr> </tbody> </table>				LEA 14.3	Indicate how the issue of voting is addressed in your securities lending programme.	<input type="checkbox"/> We recall all securities for voting on all ballot items		<input type="checkbox"/> We maintain some holdings, so that we can vote at any time		<input checked="" type="checkbox"/> We systematically recall some securities so that we can vote on their ballot items (e.g., in line with specific criteria)		<input type="checkbox"/> We recall some securities so that we can vote on their ballot items on an ad-hoc basis	
LEA 14.3	Indicate how the issue of voting is addressed in your securities lending programme.												
<input type="checkbox"/> We recall all securities for voting on all ballot items													
<input type="checkbox"/> We maintain some holdings, so that we can vote at any time													
<input checked="" type="checkbox"/> We systematically recall some securities so that we can vote on their ballot items (e.g., in line with specific criteria)													
<input type="checkbox"/> We recall some securities so that we can vote on their ballot items on an ad-hoc basis													

- We empower our securities-lending agent to decide when to recall securities for voting purposes
 - We do not recall our securities for voting purposes
 - Other (specify)
- No

LEA 14.4	Additional information. [Optional]
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Securities lending is an important contributor to well-functioning capital markets and provides a number of benefits to asset owners. In securities lending transactions, an asset owner or an asset manager lends securities – both stocks and bonds – to a third party who needs to cover a short position. In return, the third party pays a borrowing fee, which enhances investment returns for the lender. Especially for long-term investors with a stable asset base, the returns that accrue can be meaningful over time.

When so authorized, BlackRock acts as a securities lending agent on behalf of funds that it manages. With regard to the relationship between securities lending and proxy voting, BlackRock's approach is driven by our clients' economic interests. The decision whether to recall securities on loan to vote is based on a formal analysis of the revenue producing value to clients of loans, against the assessed economic value of casting votes. Generally, we expect that the likely economic value to clients of casting votes would be less than the securities lending income, either because, in our assessment, the resolutions being voted on will not have significant economic consequences or because the outcome would not be affected by BlackRock recalling loaned securities in order to vote. BlackRock also may, in our discretion, determine that the value of voting outweighs the cost of recalling shares, and thus recall shares to vote in that instance.

For more information please see our commentary Securities Lending Viewed through a Sustainability Lens here <https://www.blackrock.com/corporate/literature/publication/securities-lending-viewed-through-the-sustainability-lens.pdf>.

LEA 15	Mandatory	Descriptive	PRI 2
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LEA 15.1	Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.
----------	--

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 15.2	Indicate the reasons for raising your concerns with these companies ahead of voting.
----------	--

- Vote(s) concerned selected markets
- Vote(s) concerned selected sectors
- Vote(s) concerned certain ESG issues
- Vote(s) concerned companies exposed to controversy on specific ESG issues
- Vote(s) concerned significant shareholdings
- Client request
- Other

LEA 15.3	Additional information. [Optional]
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In those markets, such as the United Kingdom, where it is expected practice, we aim to advise companies directly and in advance of the shareholder meeting if we plan to vote against management. In some markets this is not seen as a normal part of the voting process and, as with our voting analysis, we take a market-specific approach to our own processes.

LEA 16	Mandatory	Core Assessed	PRI 2
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LEA 16.1	Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.
----------	---

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers did not abstain or vote against management recommendations

LEA 16.2	Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.
----------	---

- Vote(s) concern selected markets
- Vote(s) concern selected sectors
- Vote(s) concern certain ESG issues
- Vote(s) concern companies exposed to controversy on specific ESG issues
- Vote(s) concern significant shareholdings
- Client request
- Other

LEA 16.3	In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.
----------	--

- Yes

✓ No

LEA 16.4 Additional information. [Optional]

In those markets, such as the United Kingdom, where it is expected practice, we aim to advise companies directly and in advance of the shareholder meeting if we plan to vote against management. In some markets this is not seen as a normal part of the voting process and, as with our voting analysis, we take a market-specific approach to our own processes.

LEA 17 Mandatory Core Assessed PRI 2

LEA 17.1 For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

✓ We do track or collect this information

Votes cast (to the nearest 1%)

98%

Specify the basis on which this percentage is calculated

- Of the total number of ballot items on which you could have issued instructions
- Of the total number of company meetings at which you could have voted
- Of the total value of your listed equity holdings on which you could have voted

We do not track or collect this information

LEA 17.2 Explain your reason(s) for not voting on certain holdings

- Shares were blocked
- Notice, ballots or materials not received on time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- Client request
- Other (explain)

LEA 17.3 Additional information. [Optional]

The main reasons votes are not successfully exercised are market-specific restrictions such as share blocking, issues with voting infrastructure and too short deadlines. Some clients, who are charged fees by their custodians for vote execution in certain markets, request us to submit a 'do not vote' instruction on their behalf but the impact on BlackRock's total vote submitted is negligible.

LEA 18 Voluntary Additional Assessed PRI 2

LEA 18.1 Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.

✓ Yes, we track this information

LEA 18.2 Of the voting instructions that you and/or third parties on your behalf have issued, indicate the proportion of ballot items that were:

Voting instructions Breakdown as percentage of votes cast
For (supporting) management recommendations
90%
Against (opposing) management recommendations
9%
Abstentions
1%

No, we do not track this information

LEA 18.3 In cases where your organisation voted against management recommendations, indicate the percentage of companies which you have engaged.

80

LEA 18.4 Additional information. [Optional]

As noted above, we generally only vote against management after efforts to encourage change through engagement have failed. Even once we have voted against, we will continue to engage management and boards to ensure that the company understands our concerns and expectations such that we would be able to vote in favor of management in the future. If we still see no progress, we may provide an indication of additional voting actions we might take at future shareholder meetings, for example, voting against all members of a board committee after having in a prior year voted against the re-election of only the committee chair.

LEA 19 Mandatory Core Assessed PRI 2

LEA 19.1 Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.

- Yes
- No

LEA 19.2 Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.

- Contacting the company's board

- Contacting the company's senior management
- Issuing a public statement explaining the rationale
- Initiating individual/collaborative engagement
- Directing service providers to engage
- Reducing exposure (holdings) / divestment
- Other

LEA 20	Voluntary	Descriptive	PRI 2
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LEA 20.1 Indicate whether your organisation, directly or through a service provider, filed or co-filed any ESG shareholder resolutions during the reporting year.

- Yes
- No

LEA 20.7 Additional information. [Optional]

Shareholder resolutions tend to cover a wide-range of business issues that are complex and nuanced, particularly in relation to social or environmental factors. In our view, this makes the issue more suitable for engagement than the binary and blunt mechanism of voting. Where, following engagement, we are still concerned that a company might not be dealing with the business-relevant social or environmental factor raised in the shareholder proposal, we may hold the company accountable by voting against relevant directors for their action or inaction. We would generally only vote in favor of shareholder proposals where we identified a significant potential threat or realized harm to shareholders' interests caused by poor management of the factor under consideration, and even then, only after extensive engagement had not achieved the desired response from management or the board. We may support governance-related shareholder proposals that in our view would enhance shareholder protections.

BlackRock does participate in a number of formal coalitions and shareholder groups on both international and market-specific levels aiming to advance policies and practices that spur responsible share ownership. In addition, we work informally with other shareholders (where such activities are permitted under the law) to engage companies on specific issues or to promote market-wide enhancements to current practice.

BlackRock has never introduced a shareholder proposal on any company's proxy statement, nor have we led an activist campaign for board seats. As a long-term investor, we are patient and persistent in working with our portfolio companies, in order to build trust and help them understand our approach to investment stewardship. Our preference is to engage privately as we believe it better serves the long-term economic interests of our clients to establish relationships with companies that foster dialogue.

LEA 21	Voluntary	Descriptive	PRI 2
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LEA 21.1 Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

Add Example 1

ESG Topic	<input checked="" type="checkbox"/> Climate Change <input checked="" type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> General ESG <input checked="" type="checkbox"/> Sustainability reporting <input checked="" type="checkbox"/> Other
Conducted by	Individual/Internal
Objectives	Promote alignment with TCFD and SASB standards. Address various climate and board related shareholder proposals.
Scope and Process	We have had ongoing multiyear engagements, with a US based global energy company on a wide range of governance issues, including business risk and disclosure. Over that period, the company received numerous shareholder proposals related to the management and reporting of climate-related risks. Our ongoing dialogue has been largely constructive and effective, however there have also been matters where the company wasn't adequately responsive to shareholder feedback. As a result, we voted against the re-election of the lead independent director for the company's lack of progress on climate-related disclosure, and we supported a shareholder proposal seeking a report on the extreme weather resilience of certain operations. This is consistent with our approach to first engage with companies on our concerns and to subsequently hold directors accountable if those concerns are not sufficiently addressed.
Outcomes	Voting

Add Example 2

ESG Topic	<input checked="" type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Company leadership issues
Conducted by	Individual/Internal
Objectives	Understand executive pay processes and come to ensure an informed vote decision
Scope and Process	BlackRock voted in favor of the new options scheme given the new standard of transparency it provided. We voted against agenda items for the CEO and COO to have options that vest within one year. These were approved, however, by the large majority of shareholders who appear to put less weight on compensation structures to incentivize for long-term performance, and/or were voting blindly according to the recommendation of proxy advisors. The BIS team will continue to put significant effort into understanding compensation programs proposed, engage on these issues with management as well as the regulator, and vote in the best interest of clients independent of the specific recommendations of proxy advisors.
Outcomes	Voting

Add Example 3

ESG Topic	<input checked="" type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> General ESG <input checked="" type="checkbox"/> Other
Conducted by	Individual/Internal
Objectives	We wanted to understand the board's commitment to board independence and come to a vote determination about non-independent board members
Scope and Process	<p>During the course of 2019, we had multiple engagements with a UK hotel and pub company that has a board that we do not consider to be independent. The company itself acknowledges that half of the board is not independent, meaning that the remaining members all need to be classified as independent to meet BlackRock and market expectations.</p> <p>The company was not prepared to establish a majority independent board until November 2022. From our perspective, the lack of urgency by the board to address a long-standing governance concern was a sign of unresponsiveness to shareholder feedback and led us to oppose the re-election of the members of the nomination committee at the company's annual general meeting this quarter, mirroring our vote from 2018.</p>
Outcomes	Voting

Add Example 4

ESG Topic	<input checked="" type="checkbox"/> Climate Change <input checked="" type="checkbox"/> Pollution <input checked="" type="checkbox"/> General ESG <input checked="" type="checkbox"/> Plastics
Conducted by	Individual/Internal
Objectives	We sought improved, and more transparent, metrics and goals around reducing plastic use
Scope and Process	<p>In 2018 we engaged with the company to better understand how the board was considering sustainability, particularly as it relates to single-use plastics, in its business strategy and to share our perspective. While the company has implemented a number of related initiatives over the past few years, the urgency and scale of its practices seems inadequate to maintain a competitive advantage as a sustainable company.</p> <p>As a result, we voted in favor of a shareholder proposal on increasing the use of recycled cups as opposed to plastic ones.</p>
Outcomes	Voting

Add Example 5

Add Example 6

Add Example 7

Add Example 8

Add Example 9

Add Example 10

LEA 21.2 Additional information. [Optional]

BlackRock communicates our voting activities through direct communication and through disclosure on our website. Each year we publish our full voting record to our website and a report of our stewardship activities over the year. On a quarterly basis, we publish reports that provide a regional overview of our investment stewardship activities during the quarter, including market developments, engagement highlights and key votes. We also make public our market-specific voting guidelines for the benefit of clients and companies with whom we engage. All of these reports are available at <https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-and-voting-history>

BlackRock Investment Stewardship publishes votes quarterly, rather than annually, on the BlackRock website. This voluntary disclosure gives interested clients more frequent insight into votes specific to their portfolios in addition to information about BlackRock's voting record more generally. The new disclosure is searchable by individual company and will provide details of each shareholder meeting at which we cast votes globally. This voting record reflects votes at meetings held since July 1. It is updated quarterly until June 30 each year, when it is superseded by BlackRock's annual Form N-PX filing. Our vote disclosures will be updated a few weeks after the end of each quarter and will include the vote instruction by proposal and a high-level, standardized explanation of any votes cast against management. We believe that the additional proxy voting disclosure meets anticipated regulatory measures on enhanced transparency driven by the Shareholder Rights Directive II in Europe and similar measures in other markets. We hope that more frequent disclosure of our voting will enhance client understanding of our investment stewardship efforts and underline the importance of informed voting to encourage governance and business practices that support long-term value creation. Our quarterly vote disclosures can be found here <https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-and-voting-history>.

The BlackRock Investment Stewardship team publishes, on a very limited basis, statements on our analysis, engagements and votes in relation to certain high-profile proposals at company shareholder meetings. These vote bulletins aim to explain our approach and decision publicly so interested clients and others can be aware of BlackRock's vote when it is of most relevance to them. We do not disclose our vote intentions in advance of shareholder meetings as we do not see it as our role to influence other investors. Our role is to send a signal to the company about how well we believe the board and management has done in delivering long-term shareholder value. We do file our voting record with the U.S. Securities and Exchange Commission each August as required by regulation; these disclosures are available under reports and can be found here <https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-and-voting-history>.

LEA Checks

Checks

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

I confirm that LEA 09 has been reported based on the above guidance.

FI 01.1

Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.

SSA	7	Screening alone
	3	Thematic alone
	85	Integration alone
	5	Screening + integration strategies
	0	Thematic + integration strategies
	0	Screening + thematic strategies
	0	All three strategies combined
	0	No incorporation strategies applied
	Corporate (financial)	7
2		Thematic alone
90		Integration alone
1		Screening + integration strategies
0		Thematic + integration strategies
0		Screening + thematic strategies
0		All three strategies combined
0		No incorporation strategies applied
Corporate (non-financial)		7
	2	Thematic alone
	90	Integration alone
	1	Screening + integration strategies
	0	Thematic + integration strategies
	0	Screening + thematic strategies
	0	All three strategies combined
	0	No incorporation strategies applied

Securitized	2	Screening alone
	1	Thematic alone
	97	Integration alone
	0	Screening + integration strategies
	0	Thematic + integration strategies
	0	Screening + thematic strategies
	0	All three strategies combined
	0	No incorporation strategies applied

FI 01.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

How an issuer manages the ESG risks and opportunities relevant to its business can contribute to its long-term financial performance. As a result, ESG-related metrics can provide useful insights to investors as signals of good governance, operational excellence or business model tail risks. It is through this long-term performance lens that BlackRock considers ESG information. BlackRock's investment processes consider a multitude of fundamental and technical factors, including ESG. We believe that consideration of ESG principles is a core enhancement to long-term investment performance. The evaluation of such factors is a complementary discipline that is critical to building and monitoring appropriate investments for clients, including the degree of ESG risk priced into any given security. We consider material ESG information as it relates to an issuer's creditworthiness and engage proactively with global entities to address ESG and financial concerns. Some clients may seek to incorporate sustainability considerations into portfolio construction regardless of financial return materiality windows or market pricing. We offer focused commingled vehicles and screening options for separate accounts in these cases.

FI 01.3 Additional information [Optional].

Our systems do not track assets in a manner called for by the item above. Our response represents a good faith estimate.

Our firm is built to protect and grow the value of our clients' assets. From BlackRock's perspective, business-relevant sustainability issues can contribute to a company's long-term financial performance, and thus further incorporating these considerations into the investment research, portfolio construction, and stewardship process can enhance long-term risk adjusted returns. By expanding access to data, insights and learning on material environmental, social, and governance (ESG) risks and opportunities in investment processes across our diverse platform, we become better overall investors.

Our activities to integrate sustainability considerations into the investment process mirror the diversity of clients we serve, and the range of investment strategies and asset classes we offer. As a large global asset manager, our business is diverse. The number of styles and asset classes of investments we offer requires a thoughtful consideration of ESG integration approaches by each business team. A number of investment groups within BlackRock have developed sustainable investment, responsible investment, or ESG integration policies or statements covering their investment activities.

Across BlackRock, we provide all of our investment teams with data and insights to inform sustainability considerations. BlackRock has integrated issuer-level ESG data into our internal risk management system, Aladdin, which BlackRock investors use to make investment decisions and to monitor portfolios. As a result, BlackRock's global investors have available to them ESG metrics that can inform the investment processes by identifying long-term risks and value drivers and enabling portfolio reporting and analytics. Armed with the necessary data and tools, our active portfolio managers are able to bring decision-useful ESG information into their investment processes, discounting or emphasizing this information as they would any other financial input.

In addition to ESG data, BlackRock has a number of specialized teams dedicated to the integration of these considerations, both firm wide and within specific business lines. Our investment stewardship efforts, described below, benefit from firm-wide data and insights on sustainability-related issues, and our investment teams benefit from the sustainability insights derived from our stewardship activities. In the context of our traditional index-investment mandates, our direct engagement with companies, including proxy voting, is the mechanism we use to integrate and advance material sustainability-related insights. The BlackRock Sustainable Investing team hosts an ESG research function dedicated to sustainability topics. Global Fixed Income, Real Assets, and Active Equity teams house personnel solely focused on responsible/sustainable investing. These teams work in concert with each other and with the firm's investors to share best practice, thought leadership and technical knowledge.

Global Fixed Income Responsible Investing Policy

How an issuer manages the ESG risks and opportunities relevant to its business can contribute to its long-term financial performance. As a result, ESG-related metrics can provide useful insights to investors as signals of good governance, operational excellence or business model tail risks. It is through this long-term performance lens that BlackRock considers ESG information.

We actively seek to integrate environmental, social and governance issues into our investment process. BlackRock's investment processes consider a multitude of fundamental and technical factors, including ESG. We believe that consideration of ESG principles is a core enhancement to long-term investment performance. The evaluation of such factors is a complementary discipline that is critical to building and monitoring appropriate investments for clients, including the degree of ESG risk priced into any given security.

We consider material ESG information as it relates to an issuer's creditworthiness and engage proactively with global entities to address ESG and financial concerns. As a signatory to the Principles for Responsible Investment (PRI), we seek to use ESG integration to enhance returns and manage risks.

We work with members of the BlackRock Investment Stewardship team on behalf of clients invested in alpha-seeking, factor and indexing strategies. Engagement with issuers is a means to integrate ESG considerations into investing, and we encourage the issuers we invest in to disclose meaningful ESG information

Some clients may seek to incorporate sustainability considerations into portfolio construction regardless of financial return materiality windows or market pricing. We offer focused commingled vehicles and screening options for separate accounts in these cases.

FI 02	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 1
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FI 02.1 Indicate which ESG factors you systematically research as part of your analysis on issuers.

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
Environmental data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Social data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 02.2 Indicate what format your ESG information comes in and where you typically source it

- Raw ESG company data
 - ESG research provider
 - Sell-side
 - In-house – specialised ESG analyst or team
 - In-house – FI analyst, PM or risk team
 - Other, specify

	specific description
	Public company disclosure

- ESG factor specific analysis
 - ESG research provider
 - Sell-side
 - In-house – specialised ESG analyst or team
 - In-house – FI analyst, PM or risk team
 - Other, specify

- Issuer-level ESG analysis
 - ESG research provider
 - Sell-side
 - In-house – specialised ESG analyst or team
 - In-house – FI analyst, PM or risk team
 - Other, specify

- Sector-level ESG analysis
 - ESG research provider
 - Sell-side
 - In-house – specialised ESG analyst or team
 - In-house – FI analyst, PM or risk team
 - Other, specify

	specific description
	NGOs, credit rating agencies

- Country-level ESG analysis
 - ESG research provider
 - Sell-side
 - In-house – specialised ESG analyst or team
 - In-house – FI analyst, PM or risk team
 - Other, specify

	specific description
	multilateral development banks

FI 02.3 Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.

BlackRock currently leverages third-party ESG research in addition to in-house research to gather company-level information on key ESG indicators. We have integrated issuer level ESG information into the firm's investment and risk management system, Aladdin, which BlackRock investors use to make investment decisions and monitor portfolios. As a result, BlackRock's global investors have access to ESG metrics that can inform their investment processes by flagging long-term risks and value drivers and enabling portfolio reporting and analytics.

Our third-party sources include MSCI, ISS-Ethix, RepRisk, Sustainalytics, Thomson Reuters, Bloomberg, Verisk Maplecroft, Rhodium, and others. We continue to build our reporting and analytics capabilities, which will leverage multiple research providers, and provide insights beyond topline ESG scores and carbon emissions data. We routinely engage with investment research providers about our views on emerging issues and the type of research we would find useful. All

investment divisions within the firm have access to metrics/research from any of these research providers.

FI 02.4 Additional information. [Optional]

Other external sources of qualitative research include: Sell side research reports, NGO reports, company reported data, engagement with external environmental specialists (Cicero, WWF, The Nature Conservancy, NOAA), and academic relationships (Columbia, Imperial College, MIT, Yale, Cornell, etc). For green bonds, we also use data from Bloomberg, Climate Bond Initiative and Environmental Finance on green bond issuances and opinions. For energy transition specific analysis on portfolios, we have used third party resources from 2degree Investing Initiative. For climate scenarios and physical risk analysis we have used data from the Rhodium group.

FI 03 Mandatory Additional Assessed PRI 1

FI 03.1 Indicate how you ensure that your ESG research process is robust:

- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify
- None of the above

FI 03.2 Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

FI 03.3 Additional information. [Optional]

ESG score data is stored in a central database accessible to all investment and client teams within Aladdin, BlackRock's proprietary investment and risk platform. The data is organized by ESG data providers and stored at an issuer level so that it is easy to access data from different sources for an issuer. ESG data is also timestamped and available for time series analysis and research. BlackRock's core data team has enabled investment teams to access ESG data not only through existing Aladdin tools, but also through applications that allow easy programmatic access through multiple quantitative research tools. Qualitative information and research reports are housed in central and investment team intranet sites. The Fixed Income ESG intranet site provides access to all members of the fixed income team and to other ESG focused individuals in other teams that request access. Information can be sourced by topic, asset, and date. BlackRock has begun a process of housing Investment Stewardship and Fixed Income ESG company engagement notes into Aladdin Research. Notes that do not create compliance conflicts will be shared across investment teams. This team aims to provide proprietary governance scores for companies covered that will also be shared with BlackRock investment teams.

FI 04 Mandatory Gateway PRI 1

FI 04.1 Indicate the type of screening you conduct.

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Positive/best-in-class screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Norms-based screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

FI 04.2 Describe your approach to screening for internally managed active fixed income

BlackRock's Portfolio Compliance team will use ESG research and ratings, a client's issuer list, or an in-house research effort (in the case of coal for a negative screen or green bonds as a positive) to identify issuers for exclusion/inclusion. For negative screens, our Portfolio Compliance team will code these restricted issuers into the portfolio management system to ensure the mandate is prevented from purchasing the issuers. Portfolio Compliance periodically updates the restricted lists based on new ESG research to ensure we are capturing all relevant and only applicable issuers. Portfolio Compliance monitors all issuers on a pre- and post-trade basis and if a name was added as a result of the new update or in the event of a corporate action, Portfolio Compliance will notify portfolio management of the exception and work with them to divest the security.

FI 04.3 Additional information. [Optional]

In addition, we may use ESG-focused benchmarks to manage active fund exposures to certain sectors, ESG ratings, or global norms.
 Since options for external ESG research on securitized credits and municipal bonds are nascent, BlackRock has developed a tagging system for certain mortgage products and municipal issues with particular exposure to green or social underlying assets.

FI 05 Voluntary Additional Assessed PRI 1

FI 05.1 Provide examples of how ESG factors are included in your screening criteria.

- Example 1

Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG factors
<input checked="" type="checkbox"/> Environmental <input type="checkbox"/> Social <input type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class <input type="checkbox"/> Norms-based
Description of how ESG factors are used as the screening criteria
Thermal coal. Across BlackRock active portfolios, any company with more than 25% revenue from the mining or exploration of thermal coal is screened. This is a new policy enacted in 2020.

Example 2

Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG factors
<input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance
Screening
<input type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class <input checked="" type="checkbox"/> Norms-based
Description of how ESG factors are used as the screening criteria
Controversial weapons. For any ESG fund in EMEA and suggested for all new active funds, cluster munitions manufacturers (as determined by a binary flag from a recognized external ESG rating agency) are prohibited.

Example 3

Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG factors
<input type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance

Screening
<input type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class <input checked="" type="checkbox"/> Norms-based
Description of how ESG factors are used as the screening criteria
UN Global Compact norms violations: Across most BlackRock ESG funds, issuers who have persistent and severe violations of international norms are prohibited. These names are provided by a single, or combination, of external ESG rating providers.

- Example 4
 Example 5

FI 06	Mandatory	Core Assessed	PRI 1
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FI 06.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
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Type of screening	Checks
Negative/exclusionary screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="border: 1px solid #ccc; background-color: #0070c0; color: white; padding: 2px;">other description</div> Audits of fund holdings are undertaken regularly by compliance functions <input type="checkbox"/> None of the above
Positive/best-in-class screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="border: 1px solid #ccc; background-color: #0070c0; color: white; padding: 2px;">other description</div> Audits of fund holdings are undertaken regularly by compliance functions <input type="checkbox"/> None of the above
Norms-based screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="border: 1px solid #ccc; background-color: #0070c0; color: white; padding: 2px;">other description</div> Audits of fund holdings are undertaken regularly by compliance functions <input type="checkbox"/> None of the above

FI 06.2	Additional information. [Optional]
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For investment mandates that employ screening, BlackRock's Portfolio Compliance team will use either the services of an integrated ESG research and ratings platform, a specific list of issuers provided by the client, or an in-house research effort to identify the issuers to be excluded or included. Examples are a negative screen for coal or a positive one for green bonds. Portfolio Compliance will code excluded issuers into the respective portfolio management systems to ensure the mandate is prevented from purchasing the issuers.

Portfolio Compliance periodically updates the restricted lists based on new ESG research to ensure we are capturing new securities added to our portfolios. Portfolio Compliance monitors all issuers on a pre- and post-trade basis. If a name was added as a result of a corporate action, Portfolio Compliance will notify Portfolio Management of any exceptions and work with the team to divest the security.

All significant compliance breaches are reviewed with Portfolio Compliance, Legal and Compliance, and Risk & Quantitative Analysis teams for appropriate action. BlackRock will work with clients to determine what actions and documentation are required.

FI 07	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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FI 07.1	Indicate what proportion of your thematic investments are (totalling up to 100%):
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- Green/SDG bonds linked to environmental goals
 90%
- Social/SDG bonds linked to social goals

- 5%
- Sustainability/SDG bonds (combination of green and social linked to multiple SDG categories)
- 5%
- Other

FI 07.2	Describe your organisation's approach to thematic fixed income investing
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Given the wide breadth of client interests in the sustainable investment space, BlackRock is able to create custom solutions for our clients, whether that means applying a custom exclusionary screen, or overlaying a thematic or ESG lens. BlackRock's Investing teams have experience partnering with clients to construct portfolios that align with client interests. We continuously conduct research to create innovative and scalable sustainable investment solutions.

We currently manage a broad suite of investment solutions on behalf of our clients, in which sustainability themes are central to mitigating risk and enhancing long-term returns. Some of these products are also used by clients to align their financial investments with their values by removing exposure to specific investments, or by generating positive social outcomes alongside market rates of return.

We are able to create multi-sector thematic approaches in fixed income with a combination of impact methodologies for US munis, mortgages, and securitized assets. We have created an in-house sustainability metric for sovereigns. We evaluate and create a scoring mechanism for each green bond that comes to market. Green, Social and Sustainable bonds are tagged as such in our Aladdin system. We have developed a methodology for 2 degree alignment in fixed income. All these approaches can be applied across fixed income portfolios. We can illustrate the percentage holdings in all of the above in our ESG portfolio reports.

FI 08	Mandatory	Core Assessed	PRI 1
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FI 08.1	Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles, Social Bond Principles, or Sustainability Bond Guidelines..
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- We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects
- We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated
- We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated
- We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects
- Other, specify
- None of the above

FI 08.2	Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.
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To date, BlackRock has not seen issuers fail to disburse bond proceeds as described in their offering documents for labelled green bonds. We have been actively following up with issuers which have indicated they would provide quantitative impact reporting but they have not yet provided.

We have found one issuer labelled as a pure-play green issuer and whose bond was included in the Barclays MSCI Green Bond Index that due to structural changes at the company lost its eligibility for the index. We sold the bond out of our portfolio.

However, this is something we are consistently monitoring in the course of our annual impact reporting effort.

FI 08.3	Additional information. [Optional]
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BlackRock supports the Green Bond Principles and the Climate Bonds Initiative through membership and participation in working groups as well as through contribution to research publications. The Head of Responsible Investing for Global Fixed Income is a founding member of the Green Bond Principles Executive Committee.

The Fixed Income Responsible Investing team maintains a proprietary list of approved green bonds. These bonds have all received the individual review of green bond frameworks and projects and have been deemed to meet minimum standards for inclusion in our database. Annually, these bonds are reviewed on both use of proceeds and impact reporting. The team also currently maintains a registry of social and sustainable bonds but these are without the same scrutiny as the latter, as we wait for this market to develop.

We have now created "Shades of Green" for the entire green bond universe depending on adherence to the Green Bond Principles, impact reporting and environmentally beneficial use of proceeds. That shading is saved in our Aladdin system.

Our Fixed Income mortgage team has developed an indicator that highlights holdings in a certain subset of the mortgage universe that indicates whether or not that asset could be described as an "impact" mortgage. This subset includes approximately 30% of the US mortgage universe and includes themes such as veteran housing, community reinvestment, and low-income sectors.

Our US Municipal team has developed an indicator that highlights holdings in a certain subset of the municipal bond universe that indicates whether or not that asset could be described as a "sustainable" project. This subset includes approximately 30% of the US municipal universe and includes the themes of public housing, public transport, water projects, public education and healthcare.

FI 09	Mandatory	Additional Assessed	PRI 1
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FI 09.1	Indicate how you assess the environmental or social impact of your thematic investments.
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- We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments
- We ensure independent audits are conducted on the environmental or social impact of our investments
- We have a proprietary system to measure environmental and social impact
- We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights
- Other, specify
- None of the above

FI 09.2	Additional information. [Optional]
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BlackRock does not ensure independent audits of social or environmental impact, and it is our observation that it is not standard practice to do so.

BlackRock's Systematic Fixed Income team, which manages indexed as well as active bond portfolios using research-driven approaches to provide comprehensive and proprietary insights to achieve high information ratio strategies, has developed a suite of approaches which enable clients to track ESG indexes or core bond indexes while optimizing for ESG scores or specific thematic areas, and while minimizing tracking error.

In 2016, BlackRock launched the Impact Bond Fund. The fund applies a proprietary, research-driven process to consider financial and sustainability signals, and systematically applies a rigorous quantitative process in seeking to deliver consistent, risk-adjusted alpha on diversified, benchmark-aware portfolio while maximizing social and environmental relative performance in specific thematic areas, including health, environment, and citizenship. The investment process is driven by a combination of asset allocation and security selection strategies. First, the team performs a top-down analysis to determine target duration, yield curve, and sector weights for positive financial results. Next, a bottom-up approach informs corporate bond positioning to maximize societal impact outcomes, and inform bond-level positioning for corporate, government, and securitized fixed income.

BlackRock's Systematic Fixed Income team, using unstructured and third party data filtered through a proprietary research-driven ranking system, might determine a technology hardware company had top decile environmental performance and employee sentiment which is 22% stronger than other benchmark constituents. This information might be combined with a positive alpha score based on the bond's trading discount, strong cross-market momentum, and strong bond reversal signals. The result would be an overweight of the credit compared to the parent index weight.

FI 10	Mandatory	Descriptive	PRI 1
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FI 10.1	Describe your approach to integrating ESG into traditional financial analysis.
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Our firm is built to protect and grow the value of our clients' assets. From BlackRock's perspective, business-relevant sustainability issues can contribute to a company's long-term financial performance, and thus further incorporating these considerations into the investment research, portfolio construction, and stewardship process can enhance long-term risk adjusted returns. By expanding access to data, insights and learning on material environmental, social, and governance (ESG) risks and opportunities in investment processes across our diverse platform, we become better overall investors.

Our activities to integrate sustainability considerations into the investment process mirror the diversity of clients we serve, and the range of investment strategies and asset classes we offer. As a large global asset manager, our business is diverse. The number of styles and asset classes of investments we offer requires a thoughtful consideration of ESG integration approaches by each business team. A number of investment groups within BlackRock have developed sustainable investment, responsible investment, or ESG integration policies or statements covering their investment activities.

Across BlackRock, we provide all of our investment teams with data and insights to keep them well informed of sustainability considerations. BlackRock has integrated issuer-level ESG data into our internal risk management system, Aladdin, which BlackRock investors use to make investment decisions and to monitor portfolios. As a result, BlackRock's global investors have available to them ESG metrics that can inform the investment processes by identifying long-term risks and value drivers and enabling portfolio reporting and analytics. Armed with the necessary data and tools, our active portfolio managers are able to bring decision-useful ESG information into their investment processes, discounting or emphasizing this information as they would any other financial input.

In addition to ESG data, BlackRock has a number of specialized teams dedicated to the integration of these considerations, both firm wide and within specific business lines. Our investment stewardship efforts benefit from firm-wide data and insights on sustainability-related issues, and our investment teams benefit from the sustainability insights derived from our stewardship activities. In the context of our traditional index-investment mandates, our direct engagement with companies is the mechanism we use to integrate and advance material sustainability-related insights. Our firm wide Sustainable Investing team hosts an ESG research function dedicated to sustainability topics. Global Fixed Income, Real Assets, and Active Equity teams house personnel solely focused on responsible/sustainable investing. These teams work in concert with each other and with the firm's investors to share best practice, thought leadership and technical knowledge.

Global Fixed Income Responsible Investing Policy

How an issuer manages the ESG risks and opportunities relevant to its business can contribute to its long-term financial performance. As a result, ESG-related metrics can provide useful insights to investors as signals of good governance, operational excellence or business model tail risks. It is through this long-term performance lens that BlackRock considers ESG information.

We actively seek to integrate environmental, social and governance issues into our investment process. BlackRock's investment processes consider a multitude of fundamental and technical factors, including ESG. We believe that consideration of ESG principles is a core enhancement to long-term investment performance. The evaluation of such factors is a complementary discipline that is critical to building and monitoring appropriate investments for clients, including the degree of ESG risk priced into any given security.

FI 10.2	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
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	SSA
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Traditional sovereign credit analysis has historically focused on analyzing sovereign credit by primarily focusing on macroeconomic indicators such as debt/GDP and debt sustainability. In 2011 BlackRock launched the BlackRock Sovereign Risk Index (BSRI)¹ to help investors rank sovereign debt issuers according to the relative likelihood of default, devaluation or above-trend inflation. BSRI went beyond the basic sovereign credit analysis by combing the domestic and external economic dynamics of a country with the health of the financial sector and the willingness to pay of the country.

The BlackRock Sovereign Sustainable Index (BSSI) aims to add another tool in the sovereign analysis toolkit by ranking sovereign debt issuers based on the country's overall sustainability measures from an environmental, social and governance (ESG) perspective. It aims to look beyond the economic and geopolitical factors to one where countries are ranked based on sustainability metrics. Through this lens, we seek to understand both a country's vulnerability and management of issues that may not be otherwise captured by the BSRI.

As investors think about ESG investing in sovereigns - the challenge has been identifying what factors are "relevant" and how to define relevancy. Sustainability metrics' relationship to sovereign bond spreads can oftentimes be drowned out by factors that traditionally are more financially material. BSSI seeks to highlight environmental, social and governance characteristics without the burden of backward-looking financial implications as proof of relevancy. Rather, we look to the UN Sustainable Development goals to help guide our factor selection.

In identifying these factors and defining the sustainability of a sovereign debt issuer, we are looking at 3 main drivers that improve a country's long-term standing:

- How is the issuer treating the environment and how exposed is it to climate risk?
- How is the issuer investing in its citizens?
- How effectively is the issuer governing its people?

These three questions collectively help us understand a country's overall long-term sustainability both as it pertains to a country's ability to minimize negative externalities for the world and maximize positive impact towards its citizens.

An additional challenge in the construction of such an index is the availability of credible and updated data for sovereign sustainability metrics. The most complete and robust data set for the universe of BlackRock covered countries lies with the World Bank. BlackRock and the World Bank have worked in partnership on the development of the BSSI to: improve easy public access to this data, clean up stale and discontinued datasets, and develop the methodology for metric selection.

The data points from the World Development Indicators represent a majority of the datapoints we collect for the index. These datapoints are compiled by the

World Bank from officially recognized international sources and "presents the most current and accurate global development data" per the World Bank.

We use 39 indicators from the World Bank as the starting point. Factors were chosen with the "good-citizenship" of a country alongside the investment in human capital and climate risk in mind. These factors aim to capture the "intangibles" of a country's development that GDP growth alone is not able to capture. We then divided these factors broadly under the environmental, social and governance (ESG) pillars to be able to analyze categorical drivers behind the standing of a country – is the country's good standing coming from environmental, social or governance related factors?

Raw metrics for each indicator were rescaled to a score of 0 to 10 with a better performance for that factor getting a higher score. This allowed us to compare performance in different factors as well as combine the different factors into an overall score.

The scores for the 39 factors were calculated by subtracting the minimum value in each factor and then dividing by the range within that factor. This helped us to keep the distribution of the original dataset while preserving the outliers which are important for these factors to assess significant underperformance (or overperformance).

It takes a long time for a country to improve their fundamentals in a meaningful way. Material improvement in education and health metrics takes years if not decades. For instance, changing the energy mix and transitioning to renewables takes decades. Improving access to primary school access takes time. This means the factors above – while highly informative and accurate portrayal of long-term trends - are inherently slow-moving factors. They capture progress over time, but don't change materially year-over-year.

To account for this, BlackRock is using a proprietary technology to mine news sources to isolate sovereign sustainability progress. By focusing on the same overall factors and keywords that are used in the static scores, this big data approach allows us to add velocity as well as gain additional information not available through the slow-changing datasets. For our quarterly refreshes, depending on the time of the year, the static scores may not have changed but the velocity score will aim to capture changes in the preceding months.

By filtering for specific keywords for each of the factors, BlackRock identifies positive and negative content from thousands of news articles for each country. This content is analyzed for the period since the last refresh and we calculate a normalized score based on the sentiment for those keywords.

The Final Overall Score thus combines the static scores based on World Bank data as well as BlackRock's proprietary sentiment score – incorporating long-term trends while also considering short-term sentiment and controversies.

We conduct research on the physical impacts of climate change under different emission scenarios in the future. This is used to determine whether certain assets with specific geographic location are at risk of physical impacts of climate change.

Corporate (financial)

BlackRock's Fundamental Fixed Income investors generally consider material ESG factors with other economic considerations as they relate to an issuer's creditworthiness. More specifically, BlackRock's investment grade credit research team includes ESG information alongside credit ratings and internal research opinions in regular research communications to alpha-seeking fixed income portfolio managers. Where applicable, we consider any factor that in our judgment will affect the creditworthiness of companies over time, which includes the financial impact of non-financial factors. These factors may include board leadership, management quality in areas such as health and safety, employee relations, product liability and development, mitigation of risk (e.g., physical risks, reputational risk, regulatory risk and legal risks), and general responsiveness to societal expectations. These risks may come from a variety of sources such as climate change, social trends, consumer behavior or regulatory developments.

BlackRock uses external ESG research providers together with internal research for ongoing efforts to integrate ESG information into BlackRock's investment process and engagements. ESG data are included in our main risk engine, Aladdin. BlackRock's investment professionals conduct additional due diligence, which is combined with other inputs, to create a mosaic of information referenced in investment decision making. These include company reports, ESG-related specialist media and databases, proxy research, and analysis published by investment banks, specialist consultancies and NGOs. We routinely engage with investment research providers about our views on emerging issues and the type of research we would find useful.

Additionally, our research analysts will engage on deep dives into ESG issues with members of the BlackRock Investment Stewardship team to glean insights from direct issuer dialogue. Meaningful concerns are channelled as feedback to issuers -- either directly or through this team.

Significant holdings of any issuer with poor ESG performance or associated controversies are added to the agenda of a monthly credit review oversight committee chaired by our Head of Credit Research. Analysts discuss highlighted ESG risks, whether they view them as material, and to what extent these risks are priced into current valuations.

Our independent risk management team, Risk and Quantitative Analysis (RQA), includes in its portfolio reviews % NAV exposure analysis for lowest-ESG-rated holdings or issues with major controversies.

Corporate (non-financial)

Global Fixed Income

BlackRock's Fundamental Fixed Income investors generally consider material ESG factors with other economic considerations as they relate to an issuer's creditworthiness. More specifically, BlackRock's investment grade credit research team includes ESG information alongside credit ratings and internal research opinions in regular research communications to alpha-seeking fixed income portfolio managers. Where applicable, we consider any factor that in our judgment will affect the creditworthiness of companies over time, which includes the financial impact of non-financial factors. These factors may include board leadership, management quality in areas such as health and safety, employee relations, product liability and development, mitigation of risk (e.g., physical risks, reputational risk, regulatory risk and legal risks), and general responsiveness to societal expectations. These risks may come from a variety of sources such as climate change, social trends, consumer behavior or regulatory developments.

BlackRock uses external ESG research providers together with internal research for ongoing efforts to integrate ESG information into BlackRock's investment process and engagements. ESG data are included in our main risk engine, Aladdin. BlackRock's investment professionals conduct additional due diligence, which is combined with other inputs to create a mosaic of information referenced in investment decision making. These include company reports, ESG-related specialist media and databases, proxy research, and analysis published by investment banks, specialist consultancies and NGOs. We routinely engage with investment research providers about our views on emerging issues and the type of research we would find useful.

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Our independent risk management team, Risk and Quantitative Analysis (RQA), includes in its portfolio reviews % NAV exposure analysis for lowest-ESG-rated holdings or issues with major controversies.

Real Assets Debt

As standard procedure, when evaluating real estate and infrastructure investments, potential ESG factors and risks that may have material economic consequences throughout the investment life-cycle are considered by the investment management team. ESG performance, risks and opportunities are analyzed for all new acquisitions and are further factored into our investment decision and business plan processes for holding, disposal and asset management strategies.

BlackRock Real Assets has developed and implemented a proprietary Investment ESG Questionnaire. The ESG Questionnaire provides a comprehensive framework to assist with identifying and collate information on material ESG risks associated with any new investments.

The Questionnaire asks a number of questions on a various environmental, social and governance risks, and opportunities that should be considered as part of due diligence being undertaken by investment teams. The findings of the Questionnaire help identify any key risks associated with each investment and enable greater due diligence, and ultimately improved, and increasingly responsible, investment decision making across our global platform. The Questionnaire also enhances the transparency and documentation of ESG Integration across our investment activities.

The analysis of each ESG issue and any associated recommendations and/or suggested mitigation plans are made using a reasonable and considered professional judgment based on the information and data available to the relevant Investment Team.

Securitised

We apply the Green Bond and Social Bond Principles to any use of proceeds bond in securitized products. Bonds that align with these guidelines are marked in our Aladdin system as such. Additionally, we have developed an in-house methodology to determine if certain mortgage securities within the sector could qualify as defensible socially or environmentally beneficial assets outside a formal green or social bond program. These securities are tied to themes such as access to credit, underserved populations, community development and environmentally focused.

We conduct research on the physical impacts of climate change under different emission scenarios in the future. This is used to determine whether certain assets with specific geographic location are at risk of physical impacts of climate change.

FI 10.3 Additional information [OPTIONAL]

Systematic Fixed Income

Environmental, social and governance considerations can have an impact on the risk and return profile of our investments. Our focus is on financial outcomes first and foremost, except in the case of specific products or customized client portfolios that have additional explicit ESG related outcomes. Our philosophy is to generate high quality outcomes through a systematic process that validates fundamentally oriented market insights with quantitative research. ESG driven investment insights represent a growing opportunity set for creating new betas, new alpha sources, and improved risk adjusted returns.

Our commitment to ESG investing covers four key areas:

- Research: ESG is included on our research agenda; research is a key pillar for the integration of insights into our investment process. Areas of research focus include data quality/integration, signal research and input for portfolio design.
- Process: We seek to explicitly integrate ESG signals in our investment process where appropriate.
- Portfolio Management: Our Core Portfolio Management team has dedicated a subset of Portfolio Managers to develop a specialized focus on ESG. We strive to help clients understand the link between FI and ESG metrics, and are committed to the development of ESG focused portfolios for clients who want to integrate such outcomes explicitly.
- Training: Systematic Fixed Income is committed to maintain an up to date knowledge on ESG through internal training, external training and maintaining a dialogue with market practitioners and the academic research community.

FI 11 Mandatory Core Assessed PRI 1

FI 11.1 Indicate how ESG information is typically used as part of your investment process.

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust the internal credit assessments of issuers.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis is integrated into portfolio weighting decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, specify in Additional Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 12 Mandatory Additional Assessed PRI 1

FI 12.1 Indicate the extent to which ESG issues are reviewed in your integration process.

Environment	Social	Governance
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SSA	Environmental	Social	Governance
	<input checked="" type="radio"/> Systematically	<input checked="" type="radio"/> Systematically	<input checked="" type="radio"/> Systematically
	<input type="radio"/> Occasionally	<input type="radio"/> Occasionally	<input type="radio"/> Occasionally
	<input type="radio"/> Not at all	<input type="radio"/> Not at all	<input type="radio"/> Not at all
Corporate (financial)	Environmental	Social	Governance
	<input checked="" type="radio"/> Systematically	<input checked="" type="radio"/> Systematically	<input checked="" type="radio"/> Systematically
	<input type="radio"/> Occasionally	<input type="radio"/> Occasionally	<input type="radio"/> Occasionally
	<input type="radio"/> Not at all	<input type="radio"/> Not at all	<input type="radio"/> Not at all
Corporate (non-financial)	Environmental	Social	Governance
	<input checked="" type="radio"/> Systematically	<input checked="" type="radio"/> Systematically	<input checked="" type="radio"/> Systematically
	<input type="radio"/> Occasionally	<input type="radio"/> Occasionally	<input type="radio"/> Occasionally
	<input type="radio"/> Not at all	<input type="radio"/> Not at all	<input type="radio"/> Not at all
Securitized	Environmental	Social	Governance
	<input checked="" type="radio"/> Systematically	<input checked="" type="radio"/> Systematically	<input checked="" type="radio"/> Systematically
	<input type="radio"/> Occasionally	<input type="radio"/> Occasionally	<input type="radio"/> Occasionally
	<input type="radio"/> Not at all	<input type="radio"/> Not at all	<input type="radio"/> Not at all

FI 12.2 Please provide more detail on how you review E, S and/or G factors in your integration process.

SSA

Traditional sovereign credit analysis has historically focused on analyzing sovereign credit by primarily focusing on macroeconomic indicators such as debt/GDP and debt sustainability. In 2011, BlackRock launched the BlackRock Sovereign Risk Index (BSRI) to help investors rank sovereign debt issuers according to the relative likelihood of default, devaluation or above-trend inflation. BSRI went beyond the basic sovereign credit analysis by combining the domestic and external economic dynamics of a country with the health of the financial sector and the willingness to pay of the country.

The BlackRock Sovereign Sustainable Index (BSSI) aims to add another tool in the sovereign analysis toolkit by ranking sovereign debt issuers based on the country's overall sustainability measures from an environmental, social and governance (ESG) perspective. It aims to look beyond the economic and geopolitical factors to one where countries are ranked based on sustainability metrics. Through this lens, we seek to understand both a country's vulnerability and management of issues that may not be otherwise captured by the BSRI.

As investors increasingly think about ESG investing in sovereigns - the challenge has been identifying what factors are "relevant" and how to define relevancy. Sustainability metrics relationship to sovereign bond spreads can oftentimes be drowned out by factors that traditionally are more financially material. BSSI seeks to highlight environmental, social and governance characteristics without the burden of backward-looking financial implications as proof of relevancy. Rather, we look to the UN Sustainable Development goals to help guide our factor selection.

In identifying these factors and defining the sustainability of a sovereign debt issuer, we are looking at 3 main drivers that improve a country's long-term standing:

- How is the issuer treating the environment and how exposed is it to climate risk?
- How is the issuer investing in its citizens?
- How effectively is the issuer governing its people?

These three questions collectively help us understand a country's overall long-term sustainability both as it pertains to a country's ability to minimize negative externalities for the world and maximize positive impact towards its citizens.

An additional challenge in the construction of such an index is the availability of credible and updated data for sovereign sustainability metrics. The most complete and robust data set for the universe of BlackRock covered countries lies with the World Bank. BlackRock and the World Bank have worked in partnership on the development of the BSSI to: improve easy public access to this data, clean up stale and discontinued datasets, and develop the methodology for metric selection.

We use 39 indicators from the World Bank as the starting point. Factors were chosen with the "good-citizenship" of a country alongside the investment in human capital and climate risk in mind. These factors aim to capture the "intangibles" of a country's development that GDP growth alone is not able to capture. We then divided these factors broadly under the ESG pillars to be able to analyze categorical drivers behind the standing of a country - is the country's good standing coming from ESG related factors?

It takes a long time for a country to improve their fundamentals in a meaningful way. Material improvement in education and health metrics takes years if not decades. For instance, changing the energy mix and transitioning to renewables takes decades. Improving access to primary school access takes time. This means the factors above - while highly informative and accurate portrayal of long-term trends - are inherently slow-moving factors by nature. They capture progress over time, but don't change materially year-over-year.

To account for this, BlackRock is using a proprietary technology to mine news sources to isolate sovereign sustainability progress. By focusing on the same overall factors and keywords that are used in the static scores, this big data approach allows us to add velocity as well as gain additional information not available through the slow-changing datasets. For our quarterly refreshes, depending on the time of the year, the static scores may not have changed but the velocity score will aim to capture changes in the preceding months.

By filtering for specific keywords for each of the factors, BlackRock identifies positive and negative content from thousands of news articles for each country. This content is analyzed for the period since the last refresh and we calculate a normalized score based on the sentiment for those keywords.

The Final Overall Score thus combines the static scores based on World Bank data as well as BlackRock's proprietary sentiment score – incorporating long-term trends while also considering short-term sentiment and controversies.

The BlackRock Global Fixed Income Municipal team considers investments of issuers and projects that are sustainable, socially responsible and/or environmentally beneficial and align with the Green Bond and Social Bond Principles. The group reviews each tax-exempt issuance to ensure that the transaction benefits society at large and maintains a balance between the economy and the ecosystem considerations in various segments of the market. Specifically, these financings are more prevalent in education, health and social services, affordable housing and economic and community development projects that target the local economic region throughout the United States. Additionally, the group considers environmentally beneficial projects and activities that generate positive impacts such as renewable energy, energy efficiency, low carbon transportation, sustainable water, waste handling and pollution control.

We conduct research on the physical impacts of climate change under different emission scenarios in the future. This is used to determine whether certain assets with specific geographic location are at risk of physical impacts of climate change.

Corporate (financial)

BlackRock's Fundamental Fixed Income investors generally consider material ESG factors with other economic considerations as they relate to an issuer's creditworthiness. More specifically, BlackRock's investment grade credit research team includes ESG information alongside credit ratings and internal research opinions in regular research communications to alpha-seeking fixed income portfolio managers. Where applicable, we consider any factor that in our judgment will affect the creditworthiness of companies over time, which includes the financial impact of non-financial factors. These factors may include board leadership, management quality in areas such as health and safety, employee relations, product liability and development, mitigation of risk (e.g., physical risks, reputational risk, regulatory risk and legal risks), and general responsiveness to societal expectations. These risks may come from a variety of sources such as climate change, social trends, consumer behavior or regulatory developments.

BlackRock uses external ESG research providers together with internal research for ongoing efforts to integrate ESG information into BlackRock's investment process and engagements. ESG data are included in our main risk engine, Aladdin. BlackRock's investment professionals conduct additional due diligence, which is combined with other inputs to create a mosaic of information referenced in investment decision making. These include company reports, ESG-related specialist media and databases, proxy research, and analysis published by investment banks, specialist consultancies and NGOs. We routinely engage with investment research providers about our views on emerging issues and the type of research we would find useful.

Additionally, our research analysts will engage on deep dives into ESG issues with members of the BlackRock Investment Stewardship team to glean insights from direct issuer dialogue. Meaningful concerns are channelled as feedback to issuers – either directly or through this team.

Significant holdings of any issuer with poor ESG performance or associated controversies are added to the agenda of a monthly credit review oversight committee chaired by our Head of Credit Research. Analysts discuss highlighted ESG risks, whether they view them as material, and to what extent these risks are priced into current valuations.

Our independent risk management team, Risk and Quantitative Analytics (RQA), includes %NAV exposure analysis for lowest-ESG-rated holdings or issues with major controversies.

Corporate (non-financial)

Global Fixed Income

BlackRock's Fundamental Fixed Income investors generally consider material ESG factors with other economic considerations as they relate to an issuer's creditworthiness. More specifically, BlackRock's investment grade credit research team includes ESG information alongside credit ratings and internal research opinions in regular research communications to alpha-seeking fixed income portfolio managers. Where applicable, we consider any factor that in our judgment will affect the creditworthiness of companies over time, which includes the financial impact of non-financial factors. These factors may include board leadership, management quality in areas such as health and safety, employee relations, product liability and development, mitigation of risk (e.g., physical risks, reputational risk, regulatory risk and legal risks), and general responsiveness to societal expectations. These risks may come from a variety of sources such as climate change, social trends, consumer behavior or regulatory developments.

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The analysis of each ESG issue and any associated recommendations and/or suggested mitigation plans are made using a reasonable and considered professional judgment based on the information and data available to the relevant Investment Team.

Securitised

We apply the Green Bond and Social Bond Principles to any use of proceeds bond in securitized products. Bonds that align with these guidelines are marked in our Aladdin system as such. Additionally, we have developed an in-house methodology to determine if certain mortgage securities within the sector could qualify as defensible socially or environmentally beneficial assets outside a formal green or social bond program. These securities are tied to themes such as access to credit, underserved populations, community development and environmentally focused.

We conduct research on the physical impacts of climate change under different emission scenarios in the future. This is used to determine whether certain assets with specific geographic location are at risk of physical impacts of climate change.

Except for standard green bonds, such as select auto, solar and PACE ABS securities, the consumer asset-backed securities universe does not offer standardized ESG-related investment opportunities. However, ESG considerations are considered by BlackRock's portfolio managers as they relate to specific investment themes and risks within the sector.

The areas that are evaluated within the ABS universe include, but are not limited to: access to credit, servicing and lending practices, industry concentrations, access to higher education/higher income careers, environmental impact, and controversy/reputational risk. Portfolio managers consider these ESG themes as they relate to the parent company, the issuer, the deal collateral, the use of proceeds, and the deal obligors.

ESG Considerations in Commercial Mortgage-Backed Securities (CMBS)

Commercial Real Estate equity and debt offers various opportunities to gain exposure to ESG-related investments. On the environmental component, the most direct exposure is through investments related to "green" buildings. These can include nearly all types of commercial real estate, but are primarily concentrated in multifamily, office, and hospitality. There are numerous, independent organizations that evaluate the environmental impact of these buildings, including Leadership in Energy and Environmental Design ("LEED"), Green Globes, and Energy Star. Investment opportunities of this type come in the form of direct loans, single-asset / single-borrower ("SASB") securitizations, and pooled deals with a select number of certified green buildings.

On the social component, the most direct exposure is through investments in low-income or "affordable" multifamily properties. Again, this exists through either direct equity exposure, or through lending programs that focus on relevant properties and programs. The GSE's are similarly at the forefront of promoting these lending programs and securitizing the related loans.

ESG Considerations in Residential Whole Loans and Mortgage Servicing Rights (MSR)

Mortgages offer investors the ability to fund multiple specific social impact programs tied to themes such as access to credit, underserved populations, community development and environmentally focused. We currently track whether that asset could be described as an "impact" mortgage if it is reported by the servicer of the mortgage to include Veteran and Native American housing, community reinvestment, and low- and moderate-income sectors. We are working with our servicing partners to continue to develop reporting capabilities as to whether a loan that our MSR holding is derived from has an environmental impact (solar loan / home improvement). Currently, the industry relies on the lender's underwriting and reporting of such loan uses / product type.

We track the following Social Impact Programs that our MSR platform has exposure to: FHA, the USDA's Rural Housing Service, Veteran Affairs, Native Americans (Public and Indian Housing), and Community Reinvestment Act ("CRA").

Mortgage Insurance: The Federal Housing Administration (FHA) provides mortgage insurance to low- and moderate-income borrowers on loans made by FHA-approved lenders throughout the United States and its territories. Particularly popular among first time home buyers, FHA helps to provide credit access to underserved borrowers, boosting economic stimulus and strengthening the housing market.

In terms of governance, we deploy a rigorous diligence process on sellers to ensure their financial stability and that they have a strong corporate structure (policies, processes, quality control, and review any litigation / reputational risks).

Servicer partners are carefully selected and approved by the Investment Team and our risk and quantitative analysis team and are monitored regularly. Our due diligence on servicers include on-site visits. Servicers are evaluated according to their performance/capability, financial stability, reputation, compliance infrastructure, and capacity. We also put in place a standardized loan on-boarding processes for all servicers including key tasks, key contacts, technology mapping, timing, standard delegation of authority and key performance indicators, and standard financial and performance reports are established. Servicing partners for individual pools of MSRs are selected from this group of pre-approved servicing partners based on the servicer's compatibility with the pool make-up.

The Investment Team conducts fundamental analysis of each servicer's performance each period and monitors financial stability, reputation, compliance infrastructure, performance and timeline adherence to ensure that each servicer continues to perform at or above expectation levels. To the extent that any servicer fails to meet the performance hurdles established by BlackRock, the Investment Team provides actionable feedback on whether that servicer should be terminated, and their mortgage loans moved to other servicing companies.

ESG Considerations in Residential Mortgage-Backed Securities (RMBS)

ESG considerations are embedded in the non-agency security evaluation process. While it's difficult to list all the factors considered given our diverse opportunity set, several common themes we analyze cover ESG dimensions. We analyze any geographical concentrations that may have a meaningful impact on investment returns. For example, coastal exposure (hurricane) and wildfire risk (CA) are two key environmental considerations, especially when existing homeowner insurance may not cover the cost of any catastrophe. We evaluate the originator's promotion of credit to underserved borrower segments that might not otherwise be able to achieve a goal of owning a house due to tight agency origination guidelines. In terms of governance, given the complex structure of our investments, we perform significant due diligence surrounding the documents that govern the cash flows on our assets, and how the waterfall will function.

FI 13	Voluntary	Descriptive	PRI 1
FI 13.1	Describe your RI approach for passively managed fixed income assets.		
<p>BlackRock's index strategies seek to closely track the returns of a corresponding index. We do this by investing in substantially the same underlying securities within the index or in a subset of those securities selected to approximate a similar risk and return profile of the index. BlackRock offers beta fixed income across the debt universe, and our iShares business continues to help our clients access and manage exposure to global bond markets.</p> <p>BlackRock's institutional index fund and ETF strategies span the world's investable fixed income markets. Our portfolio construction process entails detailed benchmark knowledge, efficient trading, and performance analysis. Daily updates from index providers keep us abreast of new securities and any index methodology changes. We are an experienced and innovative provider of index strategies like pioneering synthetic beta solutions to support alpha/beta separation. Our full spectrum of global index products can provide efficient, cost-effective exposure to specific market segments.</p> <p>For passive fixed income portfolios responsible investment practices are integrated in three possible ways, depending on the type of portfolios:</p> <ol style="list-style-type: none"> 1. For pooled vehicles, at the point of fund/ETF design, a suitable sustainable/ESG/SRI benchmark is chosen in order to reflect the desired screens or ESG 			

- integration. These portfolios will track these indices passively.
- Alternatively, the fund could be benchmarked against a standard market benchmark, but would incorporate certain ESG dimensions, including values and norms based screens as well as ESG integration.
 - For separate accounts, we have a long standing experience of running indexed fixed income portfolios with custom responsible investment policies as defined by our clients. Historically these have been based on exclusions, and we are seeing an increased level of focus and sophistication in the definition of these policies in our client base.

BlackRock offers a range of fixed income solutions that address client interest in sustainable investment themes. Examples of our fixed income indexed strategies in this category include:

- iShares \$ Corp Bond 0-3yr ESG UCITS ETF (SUSU)
- iShares \$ ESG 1-5yr Corp Bond ETF (SUSB)
- iShares \$ ESG Aggregate Bond ETF (EAGG)
- iShares \$ ESG Corp Bond ETF (SUSC)
- iShares \$ HY Corp Bond ESG UCITS ETF (DHYA)
- iShares € HY Corp Bond ESG UCITS ETF (EHYA)
- iShares ESG Australian Bond Index Fund (ESGABI)
- iShares ESG Canadian Aggregate Bond Index ETF (XSAB)*
- iShares ESG Canadian Short Term Bond Index ETF (XSTB)*
- iShares ESG Global Bond Index Fund (ESGOBI)
- iShares ESG Screened Euro Corporate Bond Index Fund (BGIESFE)
- iShares EUR Corp Bond 0-3yr ESG UCITS ETF EUR (SUSS)
- iShares EUR Corp Bond ESG UCITS ETF (SUOE)
- iShares Global Green Bond ETF (BGRN)
- iShares Green Bond Index Fund (BLGBDEA)
- iShares J.P. Morgan ESG \$ EM Bond UCITS ETF (EMES)

FI 14	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
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FI 14.1	Indicate the proportion of your fixed income assets on which you engage. Please exclude any engagements carried out solely in your capacity as a shareholder.
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Category	Proportion of assets		
SSA	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input checked="" type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% </p> <table border="1" style="width: 100%; background-color: #0070C0; color: white;"> <tr> <td style="width: 15%;">FI 14.2</td> <td>Indicate your motivations for conducting engagement (SSA fixed income assets).</td> </tr> </table> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue 	FI 14.2	Indicate your motivations for conducting engagement (SSA fixed income assets).
FI 14.2	Indicate your motivations for conducting engagement (SSA fixed income assets).		
Corporate (financial)	<p> <input checked="" type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% </p> <table border="1" style="width: 100%; background-color: #0070C0; color: white;"> <tr> <td style="width: 15%;">FI 14.2</td> <td>Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets)</td> </tr> </table> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue 	FI 14.2	Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets)
FI 14.2	Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets)		
Corporate (non-financial)	<p> <input checked="" type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% </p> <table border="1" style="width: 100%; background-color: #0070C0; color: white;"> <tr> <td style="width: 15%;">FI 14.2</td> <td>Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets)</td> </tr> </table> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue 	FI 14.2	Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets)
FI 14.2	Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets)		

Securitised	<input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="checkbox"/> More than 0%, less than 5%
	FI 14.2 Indicate your motivations for conducting engagement (Securitised fixed income assets). <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue

FI 14.3 Additional information.[OPTIONAL]

BlackRock's firm-wide engagement program also benefits investments in corporate bonds issued by companies in both financial and non-financial sectors. BlackRock Investment Stewardship (BIS) is positioned as an investment function, which allows for the mutual exchange of views with active portfolio management teams. As such, the team's work benefits clients invested in listed equity and credit. BIS's engagement program is detailed in section LEA 01 of the Direct - Listed Equity Active Ownership module.

BlackRock's Emerging Markets Debt team engages with issuers including on ESG issues to gain information not currently covered by ESG research providers, such as for first-time issuers. In addition, the team may engage a company directly to address ESG issues and verify sourced information.

FI 15 Mandatory to Report, Voluntary to Disclose Additional Assessed PRI 1,2

FI 15.1 Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)

Type of engagement	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
Individual/Internal staff engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Service provider engagements	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

FI 15.2 Indicate how your organisation prioritises engagements with issuers.

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
Size of holdings	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Credit quality of the issuer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Duration of holdings	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Quality of transparency on ESG	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Specific markets and/or sectors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Specific ESG themes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Issuers in the lowest ranks of ESG benchmarks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Issuers in the highest ranks of ESG benchmarks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Specific issues considered priorities for the investor based on input from clients and beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.3 Indicate when your organisation conducts engagements with issuers.

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
We engage pre-investment.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage post-investment.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage proactively in anticipation of specific ESG risks and/or opportunities.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
We engage in reaction to ESG issues that have already affected the issuer.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
We engage prior to ESG-related divestments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.4 Indicate what your organisation conducts engagements with issuers on.

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
We engage on ESG risks and opportunities affecting a specific bond issuer or its issuer.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

We engage on ESG risks and opportunities affecting the entire industry or region that the issuer belongs to.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
We engage on specific ESG themes across issuers and industries (e.g., human rights).	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.5 Indicate how your organisation ensures that information and insights collected through engagement can feed into the investment decision-making process.

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Ensuring regular cross-team meetings and presentations.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sharing engagement data across platforms that is accessible to ESG and investment teams.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Encouraging ESG and investment teams to join engagement meetings and roadshows.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Delegating some engagement dialogue to portfolio managers/credit analysts.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Involving portfolio managers when defining an engagement programme and developing engagement decisions.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Establishing mechanisms to rebalance portfolio holdings based on levels of interaction and outcomes of engagements.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Considering active ownership as a mechanism to assess potential future investments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We do not ensure that information and insights collected through engagement can feed into the investment decision-making process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.6 Additional information.[OPTIONAL]

BlackRock Investment Stewardship (BIS) is positioned as an investment function, which allows for the mutual exchange of views with active portfolio management teams. As such, the team's work benefits clients invested in listed equity and credit. BlackRock's firm-wide engagement program also benefits investments in corporate bonds, issued by companies in both financial and non-financial sectors.

BIS's engagement program (detailed in the Direct - Listed Equity Active Ownership module) consists of numerous, ongoing, and frequently multi-year, private discussions with companies to understand the management of material ESG issues. BIS may engage (1) if our assessment has identified the company as lagging behind its peers on ESG matters that may impact economic value; (2) if an event at the company has or will impact long-term economic value; (3) if a company is in a sector or market where a material thematic ESG issue is likely to affect economic value. We may on occasion engage collaboratively with corporates.

Each year we identify specific areas of engagement focus in order to provide greater clarity and transparency to our clients and the companies in which we invest. We published our engagement priorities the BlackRock website (<https://www.blackrock.com/corporate/about-us/investment-stewardship/engagement-priorities>), a number of which concentrate on specific ESG themes (e.g., climate risk, human capital management, diversity). Our team engages thematically across sectors and markets on these topics. Additional examples of thematic engagements, as well as information on outcomes of engagements, can be found on the BIS reporting page: <https://www.blackrock.com/corporate/about-us/investment-stewardship/voting-guidelines-reports-position-papers#engagement-and-voting-reports>.

FI 16 Mandatory to Report, Voluntary to Disclose Additional Assessed PRI 1,2

FI 16.1 Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.

Yes
 No

FI 16.3 Additional information [OPTIONAL]

BlackRock's firm-wide engagement program benefits investments in corporate bonds, issued by companies in both financial and non-financial sectors. We publish reports on our engagement approach, priorities, and company and market-level engagement activities at <https://www.blackrock.com/corporate/en-zz/about-us/investment-stewardship/voting-guidelines-reports-position-papers>

BlackRock Investment Stewardship (BIS) is positioned as an investment function, which allows for the mutual exchange of views with active portfolio management teams. As such, the team's work benefits clients invested in listed equity and credit. BIS' engagement program is detailed in LEA Direct - Listed Equity Active Ownership module.

FI 17 Mandatory to Report, Voluntary to Disclose Additional Assessed General

FI 17.1 Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or performance.

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
We measure whether incorporating ESG impacts portfolio risk.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts portfolio returns.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We measure the ESG performance/profile of portfolios (relative to the benchmark).	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 17.2 Describe how your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance. [OPTIONAL]

Ongoing internal research conducted by our systematic investment teams and Risk & Quantitative Analytics team informs portfolio design and investment selection. It is our expectation that over time, as more issuers report more material ESG information, more research will be possible into the links between ESG and investment performance.

Due to the inclusion of ESG data in our main risk and trading system, investors are able to view how potential changes to the portfolio will change the ESG characteristics of the overall holdings profile. We are able to run return analyses on ESG metrics the same way we can run return attribution to a number of risk factors.

PE 01	Voluntary	Descriptive	PRI 1-6
PE 01.1	Provide a brief overview of your organisation's approach to responsible investment in private equity.		
<p>BlackRock Private Equity Partners (PEP) is part of the Alternatives Investments unit of BlackRock's Investment platform. PEP has a long history in private equity, with a track record of over 20 years investing across primary funds, secondaries and direct co-investments.</p> <p>The PEP platform comprises more than 165 professionals located primarily in Princeton, New York, Zurich, London and Hong Kong. This ensures that its 49 investment and 30 investor relations professionals have local knowledge of Investors, General Partners (GPs) and market dynamics relevant to each major region of the world. PEP focuses on providing investors with private market investment solutions and attractive investment offerings tailored to their regional needs.</p> <p>Approach to Responsible Investing</p> <p>PEP recognizes the environmental, social and economic impacts and risks of our Private Equity investments, and is committed to managing these in a responsible manner. We strive to ensure that our investments' sustainability performance is an important part of our business ethos and that sustainability risks and opportunities are considered throughout our investment decisions.</p> <p>PEP's approach towards environmental, social and corporate governance (ESG) factors reflects BlackRock's foundation on rigorous risk management principles. As a result, the integration of ESG considerations in our investment framework is therefore an evolution of our due diligence and monitoring processes.</p> <p>Our approach to sustainable investing is underpinned by the following five principles:</p> <ul style="list-style-type: none"> • Investment: ESG review is an integral part of the due diligence and monitoring processes for fund investments and direct co-investments. • Stewardship: Our investment teams engage with the sponsors of fund investments and direct co-investments (GPs) and with portfolio companies to improve long-term investment performance. • Oversight: We work with GPs to identify and mitigate ESG risks, as well as to identify opportunities to create value. The monitoring of ESG risks is also influenced by leveraging board/observer seats and Limited Partner advisory committees (LPAC) positions. • Market Engagement: We actively promote the adoption of ESG practices and regularly engage in industry conferences to highlight the importance of the topic for institutional investors and to facilitate the exchange of best practice. • Transparency and Disclosure: We recognize the importance of transparency with key stakeholders such as our investors. Reporting on ESG related considerations is integrated within PEP's quarterly commingled programs reports and includes a summary of PEP's ESG assessment for each new investment made, as well as updates on any relevant, material ESG related activities over the quarter. PEP's separately managed accounts clients receive an ESG update as part of their quarterly portfolio reviews. Though PEP has yet to encounter any material ESG incidents, the team has put in place procedures for the proactive communication to LPs in case of such an occurrence. 			
PE 02	Mandatory	Core Assessed	PRI 2
PE 02.1	Indicate whether your organisation's investment activities are guided by a responsible investment policy / follow responsible investment guidelines.		
<p><input checked="" type="checkbox"/> Our investment activities are guided by a responsible investment policy</p>			
PE 02.2	Describe how your organisation outlines expectations on staff and portfolio companies' approach towards ESG issues in investment activities.		
<p>The day to day implementation of the ESG policy is governed by the CIO Office, which focuses on the implementation on the investment side. Specifically, the PEP CIO Office is responsible for the definition and integration of ESG practices throughout the PEP investment process, for ensuring the management of ESG factors at an aggregate level, and for the promotion of their consideration across the investment team.</p> <p>The PEP investment team is responsible for driving and facilitating the focus on ESG risks for each investment opportunity considered. At a regional level, focus on the most relevant ESG factors for that region is ensured by the respective regional investment teams.</p> <p>The Investor Relations team focuses on the implementation of investor requirements, on developing ESG related communication and reporting, and on integrating ESG practices in new product development.</p> <p>The CIO Office and Investor Relations are also responsible for the continuous evolution of PEP's ESG framework.</p> <p>All PEP employees across our global operating platform have a responsibility to understand and implement our ESG procedures. To facilitate this implementation, PEP provides training and guidance as appropriate.</p> <p><input type="checkbox"/> Our investment activities are not guided by a responsible investment policy</p> <p><input type="checkbox"/> We do not have a responsible investment policy</p>			
PE 03	Mandatory	Core Assessed	PRI 1,4,6
PE 03.1	Indicate if your most recent fund placement documents (private placement memorandums (PPM) or similar) refer to responsible investment.		
<p><input checked="" type="checkbox"/> Yes</p>			
PE 03.2	Indicate how your most recent fund placement documents (PPM or similar) refer to the following responsible investment:		
<p><input checked="" type="checkbox"/> Policy and commitment to responsible investment</p> <p><input checked="" type="checkbox"/> Approach to ESG issues in pre-investment processes</p> <p><input checked="" type="checkbox"/> Approach to ESG issues in post-investment processes</p> <p><input checked="" type="checkbox"/> Approach to ESG reporting</p>			
PE 03.3	Describe how your organisation refers to responsible investment in fund placement documents (PPMs or similar). [Optional]		
<p>PEP's commitment to responsible investment and the consideration of ESG risks throughout the investment process is explicitly disclosed in PEP's commingled fund placement documents (PPM) and side letters (when requested by investors). For separate account investors, client specific requirements can be fully implemented directly within the account's legal documentation.</p> <p>Additionally, PEP's ESG policy - which includes details of our approach to ESG issues in pre- and post-investment processes, as well as our approach to ESG reporting - is made available to all investors.</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Not applicable as our organisation does not fundraise</p>			
PE 04	Voluntary	Additional Assessed	PRI 4

PE 04.1	Indicate whether your organisation made formal commitments to responsible investment in the, Limited Partnership Agreement (LPA) of your most recent fund(s), or through side letters when requested by investors.										
<input checked="" type="radio"/> Yes											
<table border="1"> <tr> <td colspan="2">If yes</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>In LPA, incorporated in the original draft as standard procedure</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>In LPA, as requested by investors</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>In side letter(s)</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Other</td> </tr> </table>		If yes		<input checked="" type="checkbox"/>	In LPA, incorporated in the original draft as standard procedure	<input checked="" type="checkbox"/>	In LPA, as requested by investors	<input checked="" type="checkbox"/>	In side letter(s)	<input type="checkbox"/>	Other
If yes											
<input checked="" type="checkbox"/>	In LPA, incorporated in the original draft as standard procedure										
<input checked="" type="checkbox"/>	In LPA, as requested by investors										
<input checked="" type="checkbox"/>	In side letter(s)										
<input type="checkbox"/>	Other										
<input type="radio"/> No											
PE 04.2	Additional information. [OPTIONAL]										
<p>As indicated in our response to question 03.3, PEP's commitment to responsible investment and the consideration of ESG risks throughout the investment process is explicitly disclosed in PEP's fund placement documents (PPM) and side letters (when requested by investors). For separate account investors, client specific requirements can be fully implemented directly within the account's legal documentation. Additionally, PEP's ESG policy document - which includes details of our approach to ESG issues in pre- and post-investment processes, as well as our approach to ESG reporting - is made available to all investors.</p>											

PE 05	Mandatory	Gateway	PRI 1
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PE 05.1	During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.
<input checked="" type="radio"/> Yes	
PE 05.2	Describe your organisation's approach to incorporating ESG issues in private equity investment selection.
<p>ESG considerations are an important and integral part of PEP's investment process and are incorporated in the risk assessment of each potential investment under consideration for PEP.</p> <p>Recognising the characteristics of Private Equity investments, PEP's approach differentiates between fund investments and direct co-investments:</p> <p>Fund investments: For Fund investments, underlying portfolio companies are typically not known to investors when the investment decision is made (blind pool). Thus, when evaluating the ESG practices of a fund manager, BlackRock considers the fund manager's policies, material risk identification processes, ESG value contribution, monitoring practices, and ESG reporting capabilities. GPs are evaluated against current best practices observable in the Private Equity markets, and red flags are noted where material shortfalls are uncovered. When assessing a manager's practices, PEP is cognizant of differences in approach and development across private equity strategies and geographies and evaluates GPs relative to those differences.</p> <p>Direct Co-investments: For direct co-investments, BlackRock has full visibility on the individual company's various risk exposures and is in a position to assess the company's performance in specific areas from an ESG perspective. PEP conducts a detailed analysis of the ESG risk factors of the investee companies and works with GPs to mitigate these risks where feasible.</p> <p>Areas of focus include environmental regulatory compliance and outstanding litigation; material labour-related incidents or investigations; or the company's ethical track record including corruption and internal controls. Additionally, where PEP sits on the Board of Directors for a portfolio company, PEP leverages that position to focus on promoting and highlighting potential improvements to ESG factors.</p> <p>Investments in companies within different industries or countries require an investor to consider distinct risks and opportunities from an ESG perspective. Accordingly, PEP has established a framework with guidelines for the evaluation of the key E, S and G factors within direct co-investments across different sectors and countries.</p> <p>For secondary investments, the approach to ESG is, to the extent possible, consistent with the above processes. If the secondary opportunity involves a manager or company which PEP has previously evaluated, the secondary deal team will avail itself of all relevant material including the ESG-related diligence previously conducted. In addition, the secondary valuation model contains an ESG analysis that requires each portfolio company and fund to be assigned a risk rating based on the investment team's assessment and supported by resources that may include BlackRock's Aladdin ESG analytics and third party specialists. Because the investment team in a secondary transaction will often have less direct contact with individual GPs and portfolio companies compared to a fund investment or a direct co-investment, it may not be possible to gather as much ESG-related data on each position. Nevertheless, the secondaries deal team will seek to conduct a company-by-company and GP-by-GP ESG analysis as part of the underwriting process and the summary findings are included in the IDM.</p> <p>The assessment described above is summarized within a risk assessment and with an ESG score and forms an integral part of the Investment Decision Memoranda (IDM) which is discussed during investment committees (ICs), as part of the final investment decision making process. In the event of significant concerns, the IC may ask to develop a mitigation plan with the GP to address identified issues, seek to carve out specific interests or choose not to move forward with the investment.</p>	
<input type="radio"/> No	

PE 05.3	Additional information. [Optional]
<p>PEP does not intend to invest in any investments with any significant risk related to ESG issues. ESG risks are weighed as part of the overall risk assessment of each investment opportunity and may lead to country, industry and or company exclusions.</p>	

PE 06	Mandatory	Core Assessed	PRI 1,3
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PE 06.1	Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.
<input checked="" type="checkbox"/> Raw data from target company <input checked="" type="checkbox"/> Benchmarks against other companies <input checked="" type="checkbox"/> Sector level data/benchmarks <input checked="" type="checkbox"/> Country level data/benchmarks <input checked="" type="checkbox"/> Reporting standards, industry codes and certifications <input checked="" type="checkbox"/> International initiatives, declarations or standards <input checked="" type="checkbox"/> Engagements with stakeholders (e.g. customers and suppliers) <input checked="" type="checkbox"/> Advice from external resources <input checked="" type="checkbox"/> Other, specify Internal BlackRock resources and subject matter experts	

We do not track this information

PE 06.2 Describe how this information is reported to, considered and documented by the Investment Committee or similar.

PEP's ESG framework requires an active engagement with fund managers (GPs) and/ or company management teams, including the evaluation of the various forms of ESG information noted in our response to question 06.1 above. As noted there, sources of information typically include raw data from the fund manager as well as the target company.

PEP will typically complete an operational questionnaire based on discussions with the company management and/or GP, as well as undertake an onsite visit and meeting(s) with management.

The information gathered is integrated and considered as part of the ESG risks assessment process described above in 05.2 and is incorporated in the risk assessment of each potential investment considered by PEP.

These risks are weighed as part of the overall risk assessment of each investment opportunity with an ESG score, which then forms an integral part of that investment's Investment Decision Memoranda (IDM); to be discussed at the investment committees as part of the final decision making process on whether or not to invest in the opportunity under consideration.

PE 07 Voluntary Additional Assessed PRI 1,2

PE 07.1 During deal structuring, what is the process for integrating ESG-related considerations into the deal documentation and/or the post-investment action plan?

Yes

If yes

- Formally/through a post-investment action plan or value enhancement plan
- Verbally/through dialogue
- Other, specify

Advisory board seats (for fund investments) and through company board seats (for direct co-investments) when possible.

PE 07.2 Describe the nature of these improvements and provide examples (if any) from the reporting year

As part of the investment due diligence process, PEP identifies ESG risks and opportunities specific to that investment opportunity and works with the GP to address material issues. Actions to address/mitigate identified ESG risks can be set as conditions for investment to be addressed ex ante, or included in the action plan to be implemented post-investment.

Examples of factors monitored include: improvements to the carbon footprint, waste reduction, the introduction of a code of ethics, the assessment of labour conditions, compliance with corporate governance and fair compensation best practices, etc.

If material ESG issues arise during the monitoring phase of the investment, PEP discusses these with the GPs and takes actions through advisory board seats (for partnership investments) and through company board seats (for direct co-investments).

We do not set expectations for portfolio companies on ESG-related considerations

PE 07.3 Additional information. [OPTIONAL]

Where PEP has representation on the Board of Directors, we work with the Board on a value enhancement plan which may incorporate ESG issues. For more information, we refer you to our response to question 15.1 where we have illustrated these points with several examples.

PE 08 Voluntary Additional Assessed PRI 1

PE 08.1 Indicate how ESG issues impacted your private equity investment selection processes during the reporting year.

- ESG issues helped identify risks
- ESG issues helped identify opportunities for value creation.
- ESG issues led to the abandonment of potential investments.
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- We do not track this potential impact

PE 08.2 Indicate how ESG issues impacted your private equity investment deals during the reporting year.

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues were included in the post-investment action plan/100-day plan
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- We do not track this potential impact

PE 08.3 Additional information. [OPTIONAL]

We refer you to our response to 15.1, where we have provided recent examples of ESG risks that have impacted our investment deals and how these have been, or are still being remedied within the respective portfolio companies.

PE 09 Mandatory Gateway/Core Assessed PRI 2

PE 09.1 Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.

Yes

PE 09.2 Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.

>90% of portfolio companies

- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies

PE 09.3 Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.

Environmental

- Example 1**
Improvement of carbon footprint
- Example 2 (optional)**
Waste reduction and management
- Example 3 (optional)**
Adherence to health and safety norms and regulations

Social

- Example 1**
Introduction of code of ethics
- Example 2 (optional)**
Assessment of labour conditions
- Example 3 (optional)**
Evaluation of impact on local communities' welfare.

Governance

- Example 1**
Compliance with corporate governance best practices
- Example 2 (optional)**
Fair compensation practices
- Example 3 (optional)**
Cyber security best practices

We do not set and/or monitor against targets

No

PE 09.4 Additional information. [Optional]

An integral step within PEP's investment monitoring process is the assignment, for each investment made, of a monitoring team consisting of at least one senior investment professional and one or two more junior investment professionals. This assigned monitoring team engages with fund managers and/or company management on an ongoing basis on key developments, including those relating to ESG. That is:

- Any material issues and risks, defined as material litigations, incidents and other material issues from an ESG perspective.
- Progress on risk mitigation and value add initiatives.

The monitoring teams each assess the progress of their respective investments, so that key elements of the initial due diligence including ESG related ones, are actively refreshed and reviewed on an ongoing basis throughout the life of the investment until it is exited.

The monitoring of ESG factors is formalized through PEP's Quarterly Portfolio Reviews (QPRs): ESG material issues and risks are included in the investment summary and discussed during the QPRs.

Where ESG issues are deemed material, PEP discusses these with the GPs and takes actions through advisory board seats (for partnership investments) and/ or through company board seats (for direct co-investments).
positions.

PE 10 Mandatory Core Assessed PRI 2

PE 10.1 Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

Yes

PE 10.2 Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

No

PE 10.3 Additional information. [Optional]

Please note that the percentage above relates to PEP's direct co-investment activities only.

PE 11 Voluntary Additional Assessed PRI 2

PE 11.1	Indicate the types of actions taken by your portfolio companies to incorporate ESG issues into operations and what proportion of your portfolio companies have implemented these actions.
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- Allocate responsibility for ESG issues to board/senior management
 - >90% of portfolio companies
 - 51-90% of portfolio companies
 - 10-50% of portfolio companies
 - <10% of portfolio companies
 - We do not track this information
- Composition of board ensure ESG expertise
 - >90% of portfolio companies
 - 51-90% of portfolio companies
 - 10-50% of portfolio companies
 - <10% of portfolio companies
 - We do not track this information
- Consider ESG issues in risk management processes
 - >90% of portfolio companies
 - 51-90% of portfolio companies
 - 10-50% of portfolio companies
 - <10% of portfolio companies
 - We do not track this information
- Define performance targets for applicable ESG issues in operations
 - >90% of portfolio companies
 - 51-90% of portfolio companies
 - 10-50% of portfolio companies
 - <10% of portfolio companies
 - We do not track this information
- Identify and engage external parties or stakeholders that could add value or decrease risk through ESG issues
 - >90% of portfolio companies
 - 51-90% of portfolio companies
 - 10-50% of portfolio companies
 - <10% of portfolio companies
 - We do not track this information
- Developing/implementing an environmental/social management system (ESMS) or similar
 - >90% of portfolio companies
 - 51-90% of portfolio companies
 - 10-50% of portfolio companies
 - <10% of portfolio companies
 - We do not track this information
- Other actions, specify
- None of the above

PE 11.2	Describe how your organisation contributes to the portfolio companies' resourcing and management of ESG issues.
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As a co-investor, PEP typically invests in companies where it holds a minority ownership stake and therefore relies on the lead GP to manage the companies on a day-by-day basis. Our responses to question 11.1 above are based on those portfolio companies for which PEP has a board of directors seat.

PEP seeks as much as possible to obtain board of directors or board observer seats for its portfolio (investee) companies; and negotiates information rights for all of its portfolio companies.

Where PEP has a representative on the board of directors of a portfolio company, PEP focuses as much as possible on promoting and highlighting potential ESG related improvements and considerations.

We may, for example, work with the board of directors on a value enhancement plan which would incorporate ESG issues.

We consistently strive to highlight ESG issues that the underlying portfolio company should focus on and/or resource appropriately.

Examples in the past have included pushing for more robust corporate governance, discussion of strategies to improve environmental footprint, and for more of a focus on health and safety measures. We refer you to our response to question 15.1 where we have provided recent examples of this.

Finally our consideration of ESG related factors as an integral part of our investment approach typically helps PEP influence the board of directors of the investee company's focus on ESG related issues.

PE 12	Voluntary	Descriptive	PRI 2,3
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PE 12.1	Indicate the type and frequency of reports you request and/or receive from portfolio companies covering ESG issues.
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- Overarching portfolio company reports (or similar) where management disclosure, financial and ESG data are integrated
 - Quarterly or more frequently

- Biannually
 - Annually
 - Less frequently than annually
 - Ad-hoc/when requested, specify
- Standalone reports highlighting targets and/or KPIs covering ESG issues
- Other, specify
- Board of Director reporting
- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad-hoc/when requested, specify
- At Board of Director meetings
- No reporting on ESG issues requested and/or provided by portfolio companies

PE 12.2 Describe what level of reporting you require from portfolio companies, and indicate what percentage of your assets are covered by ESG reporting. [OPTIONAL]

PEP seeks, as much as possible, to obtain board of directors or board observer seats for its portfolio (investee) companies; and negotiates information rights for all of its portfolio companies.

The Board of Directors reporting provides additional information to the standard quarterly report and typically contains updates on ESG related practices and developments.

PE 13 Voluntary Additional Assessed PRI 2

PE 13.1 Indicate whether during the reporting year your organisation disclosed information on ESG issues to potential buyers prior to exit for private equity investments.

- We included ESG issues in pre-exit information
- We did not include ESG issues in pre-exit information
- N/A, we did not have any exits in the reporting year

PE 13.3 Additional information.

As a co-investor, PEP typically invests in companies where it holds a minority ownership stake and therefore relies on the lead GP to lead the exit process.

PEP works with the lead GPs it co-invests alongside, to identify and appropriately mitigate ESG risks as well as to identify opportunities to create value throughout the life of the investment.

Thus, governance matters in particular, are some of the key ESG considerations that will typically form part of the communication of lead sponsors to buyers.

PE 14 Voluntary Additional Assessed PRI 1,2

PE 14.1 Indicate whether your organisation measures how your approach to responsible investment in Private Equity investments has affected financial and/or ESG performance.

- We measure whether our approach to ESG issues impacts the financial performance of investments
- We measure whether our approach to ESG issues impacts the ESG performance of investments

Describe the impact on:	Impact
ESG performance of investments	<input checked="" type="checkbox"/> Positive <input type="checkbox"/> Negative <input type="checkbox"/> No impact

- None of the above

PE 14.2 Describe how you are able to determine these outcomes.

PEP is able to qualitatively assess the impact of our approach to ESG issues on ESG performance in investments through PEP's initial diligence and ongoing monitoring processes, and through the broader insights and network of the entire BlackRock platform.

Our initial underwrite of an investment identifies strengths and weaknesses of the company, including areas of ESG risk/weakness and ESG strength. Once we have made an investment in a company, we continue to monitor the investment and assist in management of it. Part of those processes include the ESG-improvement plan that we will have identified with the lead sponsor for that investment and the company's management. One way we hold ourselves accountable to improving areas of ESG weakness and provide transparency to our clients is by including ESG status updates in LP reporting.

PEP is also able to gauge ESG outcomes by working with teams across the the broader BlackRock platform, who interact with a company through different touchpoints.

PE 15 Mandatory to Report, Voluntary to Disclose Descriptive PRI 1,2

PE 15.1 Provide examples of ESG issues that you identified in your potential and/or existing private equity investments during the reporting year.

- Add Example 1

Investment Stage	Initial screening
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ESG issues	ESG issues
	<input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social Consumer lending <input type="checkbox"/> Governance
Sector(s)	Financial Services
Impact (or potential impact) on the investment	Consumer finance company providing a variety of loans including personal loans and automobile loans. Due diligence highlighted high interest charges on loans that could have served as a financially lucrative business, though would likely have had negative consequences for the individuals borrowing the money.
Activities undertaken to influence the investment and its response	Declined to invest

Add Example 2

Investment Stage	Initial screening
ESG issues	ESG issues
	<input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social Socioeconomic <input type="checkbox"/> Governance
Sector(s)	Consumer
Impact (or potential impact) on investment	Buyout of two pre-identified European gaming industry assets. Potential negative social consequences, given that the services provided targeted lower-income individuals.
Activities undertaken to influence the investment and its response	Declined to invest.

Add Example 3

Investment Stage	Investment monitoring
ESG issues	ESG issues
	<input checked="" type="checkbox"/> Environmental Plastics <input type="checkbox"/> Social <input type="checkbox"/> Governance
Sector(s)	Travel & leisure
Impact (or potential impact) on investment	River leisure cruise company. At potential cost, the company implemented plans to replace plastic bottles used on its cruises with more environmentally-friendly glass bottles, and have begun the process of introducing solar panels.
Activities undertaken to influence the investment and its response	Invested. PEP's partnership with the lead sponsor and the company management helped identify areas where the company can improve its ESG performance by reducing its environmental footprint.

Add Example 4

Investment Stage	Investment monitoring										
ESG issues	<table border="1"> <tr> <th colspan="2">ESG issues</th> </tr> <tr> <td><input type="checkbox"/></td> <td>Environmental</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Social</td> </tr> <tr> <td></td> <td>Community support</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Governance</td> </tr> </table>	ESG issues		<input type="checkbox"/>	Environmental	<input checked="" type="checkbox"/>	Social		Community support	<input type="checkbox"/>	Governance
ESG issues											
<input type="checkbox"/>	Environmental										
<input checked="" type="checkbox"/>	Social										
	Community support										
<input type="checkbox"/>	Governance										
Sector(s)	Consumer										
Impact (or potential impact) on investment	Dry pasta producer (leading distributor outside of Italy). In 1Q20 as the COVID-19 crisis spread, the company agreed with the Spanish Federation of Food Banks to donate an additional 150 tons (~330K pounds) of dry pasta for families in need. This is on top of the company's usual donations.										
Activities undertaken to influence the investment and its response	Invested. PEP had recently invested in the company at the time of its social action. We look forward to continuing to partner with company management and the lead sponsor.										

Add Example 5

Investment Stage	Investment monitoring										
ESG issues	<table border="1"> <tr> <th colspan="2">ESG issues</th> </tr> <tr> <td><input type="checkbox"/></td> <td>Environmental</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Social</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Governance</td> </tr> <tr> <td></td> <td>Corporate governance</td> </tr> </table>	ESG issues		<input type="checkbox"/>	Environmental	<input type="checkbox"/>	Social	<input checked="" type="checkbox"/>	Governance		Corporate governance
ESG issues											
<input type="checkbox"/>	Environmental										
<input type="checkbox"/>	Social										
<input checked="" type="checkbox"/>	Governance										
	Corporate governance										
Sector(s)	Industrial										
Impact (or potential impact) on investment	Aircraft leasing company focused on regional jets. ESG risks are monitored regularly and discussed at every board meeting. The key area of focus is further strengthening of the governance process. This stands to improve the company's operating efficiency and long-term growth.										
Activities undertaken to influence the investment and its response	Invested. PEP's participation in the investment alongside the lead sponsor and the combined management plan and ongoing close partnership with the company identified governance as an area to strengthen and have influenced the company's progress to date.										

PE 15.2 Describe how you define and evaluate the materiality of ESG factors.

Material issues and risks are defined as material litigations, incidents, and other material issues from an ESG perspective.

As previously noted, PEP believes that a robust, integrated approach to ESG factors is essential to preserving and enhancing the value of our investments throughout their investment lifecycle. We consider effective ESG assessment and management to be a fundamental component of risk management.

PE 16 Mandatory to Report, Voluntary to Disclose Descriptive PRI 6

PE 16.1 Describe your organisation's approach to disclosing ESG incidents in private equity investments to your investor clients (LPs).

Whilst PEP has yet to encounter any material ESG incidents within its portfolio companies, we have put in place procedures for proactive communicating to LPs in such cases.

Thus, in the case that any such material incidents were to arise, information to investors would include: an assessment of the incident, its measurable impact, and intentions around its resolution.

PR 01	Mandatory	Core Assessed	PRI 1-6
PR 01.1	Indicate if your organisation has a Responsible Property Investment (RPI) policy.		
<input checked="" type="radio"/> Yes			
PR 01.2	Provide a URL or attach the document		
<input type="checkbox"/> URL <input checked="" type="checkbox"/> Attach Document BlackRock Real Assets Sustainable Investing Policy 2018.pdf			
<input type="radio"/> No			
PR 01.3	Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy. [Optional]		
<p>BlackRock Real Assets recognizes the environmental, social and economic impacts of our investments. We are committed to managing these impacts in a compliant and responsible manner and to offering sustainable investing solutions to our clients. We believe that a robust, integrated approach to sustainable investing is essential in preserving and enhancing the value of our assets throughout their investment lifecycle. Given the long term and physical nature of our real assets investments, we consider effective environmental, social and corporate governance (ESG) assessment and management to be a fundamental component of risk management.</p> <p>The BlackRock Real Assets Sustainable Investing Policy outlines BlackRock Real Assets' position on sustainable investing, including ESG integration, across all of our real estate investments and related activities. It applies to all of our Real Assets employees, business activities and investments across our global platform.</p> <p>The Policy also provides our employees with guidelines on how sustainable investing principles, including ESG considerations, can be further embedded into our business. The document also acts as our formal statement on sustainability and is made publicly available through various communication channels and whenever requested by clients, investment partners and other stakeholders.</p> <p>The Policy outlines our sustainable investing philosophy and principles, which are underpinned by five core commitments to:</p> <ol style="list-style-type: none"> 1. Fully embed sustainable investing principles; 2. Mitigate ESG risk and maximise opportunities; 3. Understand the materiality of specific ESG issues; 4. Ensure compliance and continual improvement; and 5. Remain transparent on our ESG performance. <p>Our Policy also provides details of how our ESG principles are fully integrated within all of our investment processes, including sourcing and screening, due diligence, Investment Committee approval, asset ownership and ESG measurement and monitoring.</p> <p>The Policy is communicated to all BlackRock Real Assets employees, and the Real Assets Sustainable Investing team proactively engages with all employees to support its implementation, raise awareness and understanding of our ESG impacts and management methods, and encourage knowledge sharing and continual best practice.</p> <p>Our Sustainable Investing Policy is regularly reviewed to ensure it remains effective for BlackRock Real Assets and remains aligned with BlackRock's wider sustainability investing objectives.</p>			
PR 02	Mandatory	Core Assessed	PRI 1,4,6
PR 02.1	Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.		
<input checked="" type="radio"/> Yes			
PR 02.2	Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:		
<input checked="" type="checkbox"/> Policy and commitment to responsible investment <input checked="" type="checkbox"/> Approach to ESG issues in pre-investment processes <input checked="" type="checkbox"/> Approach to ESG issues in post-investment processes			
PR 02.3	Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]		
<p>Where appropriate, BlackRock will provide detailed information on our approach to responsible investment for real estate as part of fund-raising documents and other relevant client and stakeholder communications. Such information may include details of our sustainable investing policies and strategies, details of our approach on integrating ESG throughout all of our investment selection and asset management processes, and details of our performance within relevant industry benchmarks and other reporting frameworks. We also outline our approach to transparency to sustainable investing and how we will report and communicate asset-level and Fund-level sustainable investing performance across existing and future strategies. Where possible, we also provide detailed examples and case studies from across our real estate portfolios to demonstrate our commitment to improved ESG management, performance and reporting.</p> <p>As standard procedure, when evaluating any real estate investments, potential ESG factors and risks that may have material economic consequences throughout the investment life-cycle are considered by the investment management team, and such issues are also considered within the wider investment strategies. ESG performance, risks and opportunities are comprehensively analyzed for all new acquisitions and are further factored into our investment decision and business plan processes for holding, disposal and asset management strategies. The monitoring of ESG factors and performance is also part of our post-investment monitoring. Such information, including our approach to sustainable investing within the different stages of our investment processes, from sourcing and screening, to due diligence, Investment Committee approval, asset ownership and asset-level measurement and monitoring is outlined within our fund placement documents. Further information on our approach may also be provided upon request.</p>			
<input type="radio"/> No <input type="radio"/> Not applicable as our organisation does not fundraise			
PR 03	Voluntary	Additional Assessed	PRI 4
PR 03.1	Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment in property when requested by clients.		
<input checked="" type="checkbox"/> We always make formal commitment to responsible investment in fund formation contracts, LPAs or side letters			

- In a majority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a minority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitments to responsible investment in fund formation contracts, LPAs or side letters because our clients do not request us to do so

PR 04	Mandatory	Gateway/Core Assessed	PRI 1
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PR 04.1	Indicate if your organisation typically incorporates ESG issues when selecting property investments.
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Yes

PR 04.2	Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.
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As standard procedure, when evaluating any real estate investments, potential environmental, social and governance (ESG) factors and risks that may have material economic consequences throughout the investment life-cycle are considered by the investment management team. Such issues are also considered within our wider real estate and infrastructure investment strategies. ESG risks and opportunities are comprehensively analysed for all new acquisitions and are further factored into our investment decision and business plan processes for holding, disposal and asset management strategies.

ESG issues that are considered include, but are not limited to, energy and water efficiency, energy and water supply, waste management, biodiversity and the local environmental, contaminated land, climate risk, flood risk, health and safety factors, and local community impact. Opportunities for third party green building certifications and/or sustainability labels and standards will also be considered.

Actions taken to mitigate any identified risks are determined in partnership with appropriate appointed parties, such as specialist engineering, environmental and energy management consultants. The BAI Sustainable Investing Team, including the Global Head of ESG Integration for BlackRock Real Assets, are available as a resource to all of our investment teams should they require additional consultation on assessing material ESG risks and opportunities on any acquisitions, disposals and other transaction opportunities.

As part of a wider strategy to improve the integration of ESG considerations and analysis throughout all of our investment processes, at the start of 2018 BlackRock Real Assets developed and implemented a proprietary Investment ESG Questionnaire which must be completed by our investment teams for all new acquisitions across our global real estate and infrastructure equity investment platforms. The ESG Questionnaire provides a comprehensive framework to assist with identifying and collating information on material ESG risks associated with any new investments.

The Questionnaire asks a number of questions on the various environmental, social and governance risks, and opportunities, that should be considered as part of the wider due diligence being undertaken by our investment teams. The findings of the Questionnaire help identify any key risks associated with each investment and enable greater due diligence, and ultimately improved, and increasingly responsible, investment decision making across our global platform. The Questionnaire also enhances the transparency and documentation of ESG Integration across our investment activities.

The analysis of each ESG issue and any associated recommendations and/or suggested mitigation plans are made using a reasonable and considered professional judgment based on the information and data available to the relevant Investment Team. Investment Teams are requested to provide risk ratings that they believe are accurate and appropriate.

Our Investment Teams are required to answer each question and self-allocate a risk rating of 'low', 'medium' or 'high', to indicate their perceived risk of the issue within the context of the investment. Key findings from the Questionnaire, including any issues identified as 'medium' or 'high' risk, and associated commentary on each issue, are captured within an ESG Summary Table. Key findings, including the ESG Summary Table, must be included within the Investment Committee Papers for all new acquisitions.

PR 04.3	Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process, and list up to three examples per issue.
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- Environmental
 - Climate change adaptation
 - Contamination
 - Energy efficiency
- Social
 - Building safety and materials
 - Health, Safety and wellbeing
 - Socio-economic
- Governance
 - Anti-bribery & corruption
 - Board structure
 - Governance structure

No

PR 04.4	Additional information. [Optional]
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When evaluating investments, ESG risks and opportunities, which may have a material impact throughout the investment life-cycle, are considered alongside traditional investment approaches by the investment management team. Examples of ESG considerations that may be factored into our investment processes include, but are not limited to:

- Environmental
- Local Environment
 - Pollution Risks
 - Climate Risks
 - Climate Resilience
 - Energy Use and Supply
 - Water Use and Supply
 - Waste Management
 - Local Biodiversity

Social

- Labour Management
- Health and Safety
- Local Communities
- Occupiers and Users
- Social resilience
- Infrastructure Integration

Governance

- Governance Structure
- Business Integrity
- Regulation and Compliance
- Corporate Governance

PR 05	Voluntary	Additional Assessed	PR1 1,3
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PR 05.1 Indicate what type of ESG information your organisation typically considers during your property investment selection process.

- Raw data from the target property asset/company
- Appraisals/audits
- Benchmarks/ratings against similar property asset
- Country level data/benchmarks
- Data aligned with established property reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Data from engagements with stakeholders (e.g. tenants and local community surveys)
- Information from external advisers
- Other, specify
- We do not track this information

PR 05.2 Provide a brief description of how this ESG information was incorporated into your investment selection process.

As standard procedure, when evaluating any real estate investments, potential ESG factors and risks that may have material economic consequences throughout the investment life-cycle are considered by the investment management team, and such issues are also considered within the wider investment strategies. ESG performance, risks and opportunities are comprehensively analyzed for all new acquisitions and are further factored into our investment decision and business plan processes for holding, disposal and asset management strategies.

The investment processes at BlackRock are comprehensive and all potential real estate investments must undergo a three-stage process as a minimum, comprising an 'Investment Review Meeting, a 'Preliminary Investment Committee' and a 'Final Investment Committee'. As part of these reviews, ESG information is scrutinized as part of the wider due diligence being undertaken, and any potential ESG risks and/or opportunities are factored into the short, medium and long-term analysis for each investment.

Site visits and audits are undertaken prior to investing in any investment to ensure a thorough physical inspection of the property and to identify any potential issues or risks that might not have been identified from initial desktop reviews or that might not have been provided by the vendor. Where appropriate, additional site visits might be arranged with appointed environmental consultants, energy consultants, property agents and other technical specialists to review any areas of concern.

Specifically, for property investments that are developments or major refurbishments, BlackRock will look to target market-appropriate third-party green building certifications or standards, such as LEED, BREEAM or NABERS, as part of these works. The opportunities and costs for the certifications to such standards are factored into the wider investment analysis and business plans for these investments.

BlackRock's investment professionals also conduct additional due diligence, including on ESG issues, using third party and original research, which is combined with other inputs, such as company reports, sustainability related databases and media, proxy research, and analysis published by investment banks, specialist consultancies and NGOs, to create a mosaic of information referenced in investment decision making.

PR 06	Mandatory	Core Assessed	PR1
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PR 06.1 Indicate if ESG issues impacted your property investment selection process during the reporting year.

- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

PR 06.2 Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

PR 06.3 Additional information.

ESG risks or issues of concern to our investment teams may impact our investment decisions, specifically in those instances where the potential risks may be considered too great or unmanageable going forward. We have examples from across our global real estate portfolios where potential ESG issues have prevented certain potential investments from being progressed or completed. Examples include investments that have been dismissed due to the identification of risks

relating to contaminated land, pollution control, flood risk, climate risk, biodiversity sensitivities and energy efficiency and/or performance of the investment. In some instances, tenant ESG issues, including tenant governance concerns, have also led to deals being dismissed.

In addition, there have been instances where ESG issues have influenced the price offered by BlackRock for a new investment. This includes examples where pricing has been negotiated due to poorer operational energy efficiency of an asset to reflect the additional capital expenditure required by BlackRock going forward to ensure that the asset can be brought up to minimum energy efficiency standards and market expectations.

As with all investments, any potential ESG risks are considered in line with an analysis of wider risks and opportunities. Where there is concern that any identified risks could impact future value and return on investment for our clients, such risks may lead to the abandonment or restructuring of the deal. In addition, where any risks are identified that do not meet our own organisational ESG standards and requirements, these risks also may lead to abandonment. BlackRock Real Assets will not make an investment if the relevant Investment Team or Investment Committee determines that any ESG risks cannot be sufficiently quantified or mitigated.

PR 07	Mandatory	Core Assessed	PRI 4
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PR 07.1 Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

Yes

PR 07.2 Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.

Selection process of property managers incorporated ESG issues

Types of actions

- Request explanation of how ESG is effectively integrated, including inquiries about governance and processes
- Request track records and examples of how the manager implements ESG in their asset and property management
- Discuss property level out-performance opportunities through greater integration of ESG criteria
- Request explanation of engaging stakeholders on ESG issues
- Other, explain

Coverage

- >75% to 100%
- >50% to 75%
- <50%

Contractual requirements when appointing property managers includes ESG issues

Types of actions

- Include clear and detailed expectations for incorporating ESG
- Require dedicated ESG procedures in all relevant asset and property management phases
- Clear ESG reporting requirements
- Clear ESG performance targets
- Other, explain

Coverage

- >75% to 100%
- >50% to 75%
- <50%

Monitoring of property managers covers ESG responsibilities and implementation

Types of actions

- Performance against quantitative and material environmental / resource targets over specified timeframe.
- Performance against quantitative and material environmental / resource targets against relevant benchmarks
- Performance against quantitative and qualitative targets to address social impacts of the portfolio/investment,
- Other, explain

Coverage

- >75% to 100%
- >50% to 75%
- <50%

No

PR 07.3 Provide a brief description of your organisations selection, appointment and monitoring of third party property managers and how they contribute to the management of ESG issues for your property investments.

In monitoring property managers, we also set objectives for our Property Managers to assist BlackRock with the collation, management, analysis and reporting of ESG information and data metrics.

Where commercially reasonable, we seek to incorporate the necessary undertakings in our asset management documentation to contractually oblige our asset managers, property managers and third-party vendors to operate in line with relevant ESG requirements and good industry practice.

BlackRock has a formal process to request and review relevant policies associated with all suppliers and vendors, including our appointed property managers. All new suppliers and vendors must complete a formal questionnaire that encompasses various key topics, including control documents, legal, health and safety, environmental and insurance. Existing suppliers and vendors must also re-complete the questionnaire annually to update their answers accordingly. As part of this process, all suppliers and vendors are asked to provide copies of their Environmental Policies, as well as additional information pertaining to their

environmental management, compliance and operating permits and licenses.

Once appointed, and where appropriate, the BlackRock Alternative Investors Sustainable Investing Team may also review the implementation of relevant vendor environmental policies, together with the BlackRock Real Assets Global Business Management Team. Meetings may also be held between the Global Head of Real Assets ESG Integration and key property managers to ensure they are meeting their environmental obligations and objectives. Such objectives may include demonstration that they are actively integrating ESG management within all of their processes and governance activities, together with their day-to-day asset management and property management activities. Specific objectives may also include a commitment to work with BlackRock to collate, manage and report on ESG information across our assets to help drive towards continual improvement.

Regular sustainability meetings are also held between the Global Head of Real Assets ESG Integration and our property managers Summary reports that provide an overview of portfolio sustainability performance for that Quarter, together with meeting minutes, are circulated following these meetings and, if required, subsequent meetings or calls are arranged. These meetings provide an opportunity for the Property Managers to provide an update on sustainability performance, as well as informing us of any incidents or issues that need to be brought to attention or further mitigated.

Our Property Managers play an important role in our sustainability investing objectives, and work closely with our Real Assets Sustainable Investing Team to support the collation and analysis of environmental performance, as well as supporting the development of sustainability campaigns and tenant engagement programmes. The Sustainable Investing Team regularly engages with our external property managers to discuss key sustainability initiatives and asset-level environmental performance, and seek to identify additional opportunities within our portfolios for improvement programmes.

BlackRock Real Assets also works with our appointed property managers, and specialist sustainability software providers, to collate information and data on environmental performance indicators across our global properties. This includes the collation of data associated with electricity consumption, gas consumption and, where relevant, alternate energy use across our portfolios, together with the associated Scope 1, Scope 2 and, where relevant, Scope 3 Greenhouse Gas Emissions. Information on water consumption and waste management, including waste tonnage, recycling rates and disposal rates, is also collated across our global portfolios.

PR 08	Mandatory	Gateway	PRI 2
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PR 08.1	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.
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✓ Yes

PR 08.2	Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.
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- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and major renovations.
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

Sustainability performance and ESG credentials are highlighted as part of seller materials and wider disposal marketing materials.

PR 08.3	Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.
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The long-term strategy of BlackRock Real Assets includes a focus on addressing ESG issues throughout all of our business operations, including post-investment activities and day-to-day asset management activities across all of our global real estate portfolios.

We continually develop initiatives to improve the monitoring, management and reporting of environmental performance indicators across our property portfolios, to enable improved benchmarking and to drive improvements in our sustainability performance. We have established a range of monitoring programs across our real estate portfolios to regularly monitor, analyze and report data on a number of metrics, including energy consumption, Scope 1 and 2 greenhouse gas emissions, water consumption, and waste management. BlackRock also works closely with our appointed property managers, on-site building managers and specialist consultants to capture real-time energy, water and waste data and uses such data to help monitor and analyze portfolio performance.

BlackRock continues to grow its focus on asset management initiatives and engagement activities that will improve our ESG performance. Within our real estate portfolios, a number of practices enable us to evaluate and improve sustainability performance. Some of the sustainable asset management initiatives that have been successfully implemented across our property portfolios are outlined below.

Data Management and Measurement

We continue to increase auditing and monitoring activities across our assets to improve the quality and quantity of the environmental performance indicators being measured, analyzed and reported. Data management programmes have been rolled across our global portfolios to obtain key information, including energy consumption (and associated greenhouse gas emissions), water consumption, and waste generation and waste recycling rates.

Environmental Auditing

Environmental audits are undertaken across our real estate assets to help identify where improvements in environmental and operational performance can be achieved. In some instances, such audits have helped us identify those properties where efficiency upgrades should be prioritized. They also enable us to collate detailed information on energy and water efficiency, which we use to target efficiency and retrofit opportunities.

Green Leases

We strive to include 'Green Clauses' in all new lease agreements across our direct real estate portfolios; to improve the environmental performance of those properties and encourage collaborative sustainability opportunities. We also aim to develop clauses around the responsible operation of an asset, including tenant cooperation, to drive best-practice and share data and information on asset-level sustainability performance.

Green Financing Opportunities

We recently secured a 'Green Loan' and sustainable finance package for one of our European real estate developments. The mechanism led to loan margin discounts in return for the achievement of certain sustainability objectives. Given the growth of the green loan market, and the increasing emphasis on sustainable construction and development, we continue to explore future opportunities for green financing initiatives.

Tenant Engagement

Where possible we aim to actively engage with our tenants to better communicate, and further progress, sustainability performance across our assets. We have some great examples from across our global portfolios, energy 'switch off-weeks', to recycling campaigns, tree planting, pond dipping, and the establishment of tenant yoga classes and cycling clubs.

Technology and Innovation

We regularly explore the use of innovative technologies and initiatives to drive continual improvements in sustainability management, reporting and performance across our global portfolios. Examples of the initiatives we have developed, and continue to explore and evolve include:

- LED lighting and developments in more sustainable and efficient lighting methods;

- Developments in more efficient heating, ventilation and air conditioning (HVAC);
- Greater adoption and use of Automatic Meter Readings (AMR);
- Innovations in Building Management Systems
- Innovations in Energy and Sustainability Data Management Systems
- Electric Vehicles (EV), EV Charge-points and other EV infrastructure
- Renewable energy procurement
- Rooftop solar photovoltaics and other small-scale, on-site renewable energy opportunities

Specifically, for those properties within our portfolios which are undergoing construction, development or major refurbishment, BlackRock will engage with our contractors to ensure that sustainability best practice is being factored into our programs of works. Considerations include, but are not limited to, material use and resource efficiency, energy efficiency technologies and upgrades, on-site waste management and the development of site waste management plans, pollution control and the protection of habitats and biodiversity.

BlackRock also uses recognized third party green building assessment programs and certification schemes to ensure appropriate management frameworks are set and adhered to throughout our development and refurbishment programmes. This may include international programmes such as LEED and BREEAM, as well as more local, national-level certification programmes and standards, such as NABERS, HQE, DGNB and the BCA Green Mark.

No

PR 09	Mandatory	Core Assessed	PRI 2,3
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PR 09.1 Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

PR 09.2 Indicate which ESG targets your organisation and/or property managers typically set and monitor

Environmental

Target/KPI	Progress Achieved
Annual Energy and Carbon Reduction	3.5%
Annual Water Reduction	4%
Waste Diversion from Landfill	100%

Social

Target/KPI	Progress Achieved
Annual Tenant Engagement	100%
Client Engagement on ESG Performance	100%
Health and Safety Audits	100%

Governance

Target/KPI	Progress Achieved
Green Clauses in all New Lease Agreements	100%
Governance and compliance checks on all Property Managers	100%
Compliance checks on all Tenants	100%

We do not set and/or monitor against targets

PR 09.3 Additional information. [Optional]

BlackRock Real Assets is committed to embedding sustainable investing principles across all of our investment practices, including across our asset management activities. As part of this we aim to establish, where appropriate, ESG key performance indicators to assist in ongoing risk management and help drive continual improvements in our ESG performance.

Where possible, we also aim to measure and monitor the environmental impacts associated with our investments and use such information to establish internal targets and performance improvement objectives.

The BlackRock Alternative Investors Sustainable Investing Team works with our real assets portfolio managers to identify opportunities where ESG factors can be improved and targets can be set. Where possible and appropriate, we have set a number of portfolio-level sustainability targets, which are communicated internally to the relevant portfolio managers and asset managers. Such targets may focus on improved portfolio-level sustainability performance, including renewable energy output, energy efficiency and reduction, carbon reduction, water efficiency and reduction, zero waste to landfill, increased recycling rates and community engagement and support. We also regularly review the opportunities for third-party green building certifications and sustainability standards across our real estate portfolios and the targets that can be set with regards to asset-level certifications.

PR 10	Voluntary	Descriptive	PRI 2
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PR 10.1 Indicate whether your property assets are assessed against certification schemes, ratings and/or benchmarks

Yes

PR 10.2 List the certification schemes, ratings and/or benchmarks your property assets are assessed against and what proportion of your property assets they apply to.

Add certification scheme, rating and benchmark 1

Specify	Global Real Estate Sustainability Benchmark
Proportion of property assets these apply to	<input checked="" type="checkbox"/> >90% of property assets <input type="checkbox"/> 51-90% of property assets <input type="checkbox"/> 10-50% of property assets <input type="checkbox"/> <10% of property assets (in terms of number of property assets)

Add certification scheme, rating and benchmark 2

Specify	LEED / BREEAM
Proportion of property assets these apply to	<input type="checkbox"/> >90% of property assets <input checked="" type="checkbox"/> 51-90% of property assets <input type="checkbox"/> 10-50% of property assets <input type="checkbox"/> <10% of property assets (in terms of number of property assets)

Add certification scheme, rating and benchmark 3

Specify	ULI Greenprint Foundation
Proportion of property assets these apply to	<input type="checkbox"/> >90% of property assets <input checked="" type="checkbox"/> 51-90% of property assets <input type="checkbox"/> 10-50% of property assets <input type="checkbox"/> <10% of property assets (in terms of number of property assets)

No

PR 10.3 Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

- Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- Other property reporting standards, specify
GRESB
- No property specific reporting standards are used

PR 10.4 Additional information.

BlackRock Real Assets regularly reviews opportunities to achieve recognized, best-in-class green building certifications and other applicable sustainability certifications and labels. To support this objective, our portfolio managers and asset managers work with our dedicated Real Assets Sustainable Investing Team and specialist environmental consultants to identify the opportunities for targeting appropriate third-party sustainability certifications. The certifications that are targeted may include, but are not limited to, LEED, BREEAM, NABERS, HQE, DGNB and the BCA Green Mark. The choice of certification, and the specific framework or sub-scheme adopted, may be determined by multiple factors, such as geographic region, market demand and property type. In some instances, more than one certification standard may be targeted and adopted.

Our Investment Teams are encouraged to consider the opportunities and strategies for achieving, maintaining and/or renewing green building certifications for all new acquisitions, and such information is documented within our formal due diligence processes and Investment Committee Memos.

Opportunities for third party green building certifications for any new developments, major refurbishments and maintenance projects are, where practical, considered as part of any asset development plans. BlackRock has an impressive track record for achieving high performing, sustainably certifications for developments and refurbishment projects. LEED Platinum, LEED Gold and BREEAM Excellent are amongst the awards that have been achieved within our global real estate portfolios.

For assets that have achieved third-party green building certification, BlackRock's asset managers, and our appointed property Managers, will also continue to monitor performance to ensure the asset continues to meet the best practice requirements of the certificate. In some instances, this may comprise the inclusion of specific Green Clauses within our standard lease agreements that require the tenant to operate the asset in manner that meets the requirements of the relevant certificate(s). Site visits may also be undertaken by our internal asset managers and appointed property managers to review compliance against the certificate and ensure it remains effective and valid.

PR 11 **Mandatory** **Core Assessed** **PRI 2**

PR 11.1 Indicate the proportion of active property developments and major renovations where ESG issues have been considered.

- >90% of active developments and major renovations
- 51-90% of active developments and major renovations
- 10-50% of active developments and major renovations
- <10% of active developments and major renovations
- N/A, no developments and major renovations of property assets are active

PR 11.2 Indicate if the following ESG considerations are typically implemented and monitored in your property developments and major renovations.

- Environmental site selection requirements
- Environmental site development requirements
- Sustainable construction materials

- Water efficiency requirements
- Energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Health and wellbeing of residents
- Construction contractors comply with sustainability guidelines
- Resilient building design and orientation
- Other, specify

See additional information section.

PR 11.3	Additional information. [Optional]
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Other relevant ESG considerations that are made include those relating to issues such as energy supply, on-site contaminated land, on-site groundwater and surface water pollution, pollution control, local biodiversity and habitats, flood risk, climate risk and resilience, local community impacts and local community engagement opportunities.

BlackRock Real Assets take a proactive approach to incorporating ESG considerations within all of our property developments and major renovations. As part of these strategies, BlackRock will review the opportunities for improving asset-level sustainability performance for all new developments and major refurbishments and will work with our design consultants and environmental consultants to strive towards the highest possible standards as part of the wider development plans.

Opportunities for third party green building certifications for any new developments, major refurbishments and maintenance projects are where practical considered as part of the wider development plans. BlackRock has an impressive track record for achieving high performing, sustainably certifications for developments and refurbishment projects. LEED Platinum, LEED Gold and BREEAM Excellent are amongst the awards that have been achieved within our global real estate portfolios.

For assets that have achieved third-party green building certification, BlackRock's asset managers, and our appointed property Managers, will also continue to monitor performance to ensure the asset continues to meet the best practice requirements of the certificate. In some instances, this may comprise the inclusion of specific Green Clauses within our standard lease agreements that require the tenant to operate the asset in manner that meets the requirements of the relevant certificate(s). Site visits may also be undertaken by our internal asset managers and appointed property managers to review compliance against the certificate and ensure it remains effective and valid.

Where appropriate, asset-level Sustainability Action Plans will also be developed during the development stage to address areas such as green building certification management, operational energy efficiency and future resource management within the asset, to ensure the best practice expectations and designs during the development process continue to be met following completion.

PR 12	Mandatory	Core Assessed	PRI 2
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PR 12.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
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- >90% of occupiers
- 50-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

PR 12.2	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
----------------	--

- Distribute a sustainability guide to occupiers
- Organise occupier events focused on increasing sustainability awareness
- Deliver training on energy and water efficiency
- Deliver training on waste minimisation
- Provide feedback on energy and water consumption and/or waste generation
- Provide feedback on waste generation
- Carry out occupier satisfaction surveys
- Health and wellbeing of residents
- Offer green leases
- Other, specify

PR 12.3	Additional information. [Optional]
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Where possible and practical, our real estate portfolios strive to actively engage with our tenants to further communicate and progress sustainability performance across our assets. The range of activities that may be implemented will vary from asset to asset, considering factors such as property type and tenant type, but often include a combination of campaigns, activities and events that address sustainable best practice, such as energy reduction and resource efficiency. Opportunities may also be explored for participating in tenant meetings and conducting annual tenant surveys and questionnaires that address ESG factors, such as environmental improvement, energy efficiency and occupier health and well-being.

Working with our Property Managers, BlackRock also undertakes annual Tenant Satisfaction Surveys across the properties within our real estate portfolios. These questionnaires include dedicated sections on property-level environmental and sustainability performance, occupier health and well-being, and a broader array of questions focussed on facilities management, property maintenance, security, housekeeping and satisfaction with property management services. The results of these annual surveys, together with regular tenant engagement activities, help us to inform our portfolio-level and asset-level sustainable investing strategies and identify areas where sustainability performance and health and well-being within our properties could be improved.

PR 13	Voluntary	Additional Assessed	PRI 2
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PR 13.1	Indicate the proportion of all leases signed during the reporting year that used green leases or the proportion of Memoranda of Understandings (MoUs) with reference to ESG issues.
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- >90% of leases or MoUs
- 50-90% of leases or MoUs

- 10-50% of leases or MoUs
- <10% of leases or MoUs
- 0% of leases or MoUs
- N/A, no leases or MoUs were signed during the reporting year

PR 13.2 Additional information.

Where practical, working with appointed Legal Advisors, together with our internal Real Estate Legal Teams, BlackRock regularly reviews the opportunities for improving the use of practical 'Green Clauses' within new tenant lease agreements. Such clauses aim to improve, where possible, the environmental management, data sharing, tenant cooperation on the responsible operation of an asset, and to increase reporting opportunities for each asset.

Areas covered within such clauses include operation of the asset in line with any standing green building certification and/or energy ratings, such as LEED, BREEAM, Energy Star and/or Energy Performance Certificates (EPCs), co-operation with the landlord to implement any measures to improve the energy efficiency of the property and, where possible, cooperation with the landlord to drive share best-practice, data and information on asset-level sustainability performance.

Where practical, BlackRock will also regularly review our standing lease agreements to ensure both the tenant and landlord are fulfilling their contracted obligations. This process includes a review of clauses relating to the environmental and energy management requirements within each agreement to ensure they remain appropriate, relevant and up to date. As part of this process, BlackRock also reviews the opportunities for improving the use of 'Green Clauses' within all of our lease agreements, to increase the opportunities for enhanced environmental management, data sharing and reporting, and collaborative sustainability initiatives at each asset.

PR 14 Voluntary Additional Assessed **PRI 2**

PR 14.1 Indicate what proportion of property assets your organisation, and/or your property managers, engaged with the community on ESG issues during the reporting year.

- >90% of property assets
- 50-90% of property assets
- 10-50% of property assets
- <10% of property assets

PR 14.2 Indicate if the following areas and activities are typically part of your, and/or your property managers', community engagement.

- ESG education programmes for the community
- ESG enhancement programmes for public spaces
- Research and networking activities focusing on ESG issues
- Employment creation in communities
- Supporting charities and community groups
- Other, specify

PR 14.3 Additional information.

Throughout the Real Assets platform, we have various project level Community Engagement programmes. These programs aim to support and enhance the communities in which we live, work and manage investments. BlackRock will often partner with our Property Managers and on-site Building Managers to develop and run community engagement campaigns.

More generally, BlackRock partners with several chosen charities at an organisational level, whilst regional offices also partner with additional local charities. This enables our firm to have positive impacts at both a global scale and within our direct, local communities, whilst actively encouraging staff to support a range of sustainability causes. For all chosen charities, BlackRock also matches staff donations and volunteer time.

Examples of BlackRock's firm-wide community engagement and charity programs include:

1. The BlackRock Gives Program which supports local non-profit organizations in building better futures for underserved individuals and communities. The Program partners with charities working to solve a range of social and environmental issues and offers active volunteering opportunities for all BlackRock staff. To support BlackRock Gives, all staff are entitled to two paid volunteer days-off a year.
2. Our partnership with IntoUniversity provides local learning centres for young people from disadvantaged backgrounds to help them enter Further and Higher Education. The program has helped over 75,000 young people receive education and skills-training and subsequently achieve University places.
3. Volunteering and fundraising activities to support BlackRock's philanthropy efforts occur regularly across our Real Assets Teams. Recent activities have supported local wildlife conservation, environmental protection and community enhancement programs.

Further information on our community engagement programs can be found on our dedicated BlackRock Social Impact website at: <https://www.blackrock.com/corporate/about-us/social-impact>.

PR 15 Voluntary Additional Assessed **PRI 1,2**

PR 15.1 Indicate whether your organisation measures how your approach to responsible investment in property investments has affected financial and/or ESG performance.

- We measure whether our approach to ESG issues impacts funds' financial performance

PR 15.2a Describe the impact on the following.

Describe the impact on:	Impact
Funds' financial performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

- We measure whether our approach to ESG issues impacts funds' ESG performance

PR 15.2b Describe the impact on the following.

Describe the impact on:	Impact

Funds' ESG performance	<input checked="" type="radio"/> Positive
	<input type="radio"/> Negative
	<input type="radio"/> No impact

None of the above

PR 15.3 Describe how you are able to determine these outcomes.

It is the increasing belief of BlackRock that, on an asset-by-asset basis, we are protecting and even enhancing the returns on investments for our clients through the proactive integration of ESG within all of our investment processes and asset management activities. BlackRock is increasingly realising a positive financial benefit to our infrastructure portfolios within multiple stages of our investment process including, but not limited to, capital raising, asset capital values, asset rental values, and tenant attraction and retention. We regularly analyze the capital values and rental values of our real estate portfolios, and are increasingly recognising the link between strong ESG credentials and performance at an asset level, and the capital value and rental value that those assets can command.

In addition, we are increasingly realising ESG performance improvements across our portfolios, which we are able to determine due to the comprehensive measurement and monitoring of various environmental metrics, including energy efficiency and performance, water consumption and waste management.

On an annual basis, we also submit and report on our infrastructure ESG performance within the Global Real Estate Sustainability Benchmark (GRESB). Our results within the GRESB Benchmark also demonstrate that positive ESG performance improvements continue to be achieved.

PR 16 Voluntary Descriptive **PRI 1,3**

PR 16.1 Provide examples of ESG issues that affected your property investments during the reporting year.

Add Example 1

ESG issue	Energy Performance
Types of properties affected	Commercial properties of various property type and in various geographical locations
Impact (or potential impact) on investment	Financial, including the costs of capital expenditure, refurbishment and/or upgrades to bring properties up to minimum energy efficiency market standards
Activities undertaken to influence the investment and the outcomes	BlackRock has negotiated pricing on new investments to factor costs required to improve the energy efficiency of new investments and/or required the vendor to finance such improvements prior to completing the transaction.

Add Example 2

ESG issue	Flood Risk
Types of properties affected	Commercial properties of various property type and in various geographical locations
Impact (or potential impact) on investment	Lower tenant demand and future, detrimental impacts on asset rental values and capital values due to the potential risks of flooding and/or an increased frequency of flooding.
Activities undertaken to influence the investment and the outcomes	Flood risk, including flood risk from sea level rise, is a key factor assessed during due diligence for all new acquisitions. The flood risk, together with mitigation measures, such as the presence of appropriate flood defences, is fully considered. BlackRock has abandoned deals due to the perceived risk of flooding to an asset.

Add Example 3

ESG issue	Contaminated Land
Types of properties affected	Commercial properties of various property type and in various geographical locations
Impact (or potential impact) on investment	Financial, including the costs of environmental assessments, ongoing management and/or remediation activities to prevent any future risks of identified contaminated land.
Activities undertaken to influence the investment and the outcomes	BlackRock has abandoned deals due to the identification of contaminated land where the risk of ongoing management/remediation was too high, or where costs associated with such activities were considered too great.

Add Example 4

ESG issue	Tenant Issues
Types of properties affected	Office and retail properties in various geographical locations
Impact (or potential impact) on investment	Governance concerns, within our core and long-lease strategies, tenant ethics and longevity may be considered for those tenants that will be occupying newly acquired assets.
Activities undertaken to influence the investment and the outcomes	BlackRock has abandoned deals when we were unable to become comfortable with governance or ethical issues of tenants. One such example was a tenant which was leading tobacco manufacturer.

Add Example 5

ESG issue	Third-party Green Building Certifications
Types of properties affected	Office properties in various geographical locations

Impact (or potential impact) on investment	Financial, including increased rental values, increased capital values and faster tenant attraction rates associated with those assets certified to recognized green building certifications.
Activities undertaken to influence the investment and the outcomes	Opportunities for third party green building certifications for any new developments, major refurbishments and maintenance projects are considered within the wider development plans, and are increasingly recognized for both improving both the long-term environmental performance and financial performance and value of an asset.

INF 01	Voluntary	Descriptive	PRI 1-6
INF 01.1	Provide a brief overview of your organisation's approach to responsible investment in infrastructure where you have equity stakes.		
<p>BlackRock Real Assets recognizes the environmental, social and economic impacts of our investments. We are committed to managing these impacts in a compliant and responsible manner and to offering sustainable investing solutions to our clients. We believe that a robust, integrated approach to sustainable investing is essential in preserving and enhancing the value of our assets throughout their investment lifecycle. Given the long term and physical nature of our real assets investments, we consider effective environmental, social and corporate governance (ESG) assessment and management to be a fundamental component of risk management.</p> <p>The BlackRock Real Assets Sustainable Investing Policy outlines BlackRock Real Assets' position on sustainable investing, including ESG integration, across all of our real estate and infrastructure investments and related activities. It applies to all of our Real Assets employees, business activities and investments across our global platform.</p> <p>The Policy also provides our employees with guidelines on how sustainable investing principles, including ESG considerations, can be further embedded into our business. The document also acts as our formal statement on sustainable investing and ESG integration and is made publicly available through various communication channels and whenever requested by clients, investment partners and other stakeholders.</p> <p>The Policy outlines our sustainable investing philosophy and principles, which are underpinned by five core commitments to:</p> <ol style="list-style-type: none"> 1. Fully embed sustainable investing principles; 2. Mitigate ESG risk and maximise opportunities; 3. Understand the materiality of specific ESG issues; 4. Ensure compliance and continual improvement; and 5. Remain transparent on our ESG performance. <p>Our Policy also provides details of how our ESG principles are fully integrated within all of our investment processes, including sourcing and screening, due diligence, Investment Committee approval, asset ownership and ESG measurement and monitoring.</p> <p>The Policy is communicated to all BlackRock Real Assets employees, and the BlackRock Alternative Investors Sustainable Investing Team proactively engages with all of our Real Assets employees to support its implementation, raise awareness and understanding of our ESG impacts and management methods, and encourage knowledge sharing and continual best practice.</p> <p>Our Sustainable Investing Policy is regularly reviewed to ensure it remains effective for BlackRock Real Assets and remains aligned with BlackRock's wider sustainability investing objectives.</p>			

INF 02	Mandatory	Core Assessed	PRI 1-6
INF 02.1	Indicate if your organisation has a responsible investment policy for infrastructure.		
<input checked="" type="radio"/> Yes			
INF 02.2	Provide a URL if your policy is publicly available.		
<input type="radio"/> No			
INF 02.3	Additional information. [Optional]		
<p>The BlackRock Real Assets Sustainable Investing Policy has been attached to the PR module.</p> <p>BlackRock Real Assets recognizes the environmental, social and economic impacts of our investments. We are committed to managing these impacts in a compliant and responsible manner and to offering sustainable investing solutions to our clients. We believe that a robust, integrated approach to sustainable investing is essential in preserving and enhancing the value of our assets throughout their investment lifecycle. Given the long term and physical nature of our real assets investments, we consider effective environmental, social and corporate governance (ESG) assessment and management to be a fundamental component of risk management.</p> <p>The BlackRock Real Assets Sustainable Investing Policy outlines BlackRock Real Assets' position on sustainable investing, including ESG integration, across all of our real estate and infrastructure investments and related activities. It applies to all of our Real Assets employees, business activities and investments across our global platform.</p> <p>The Policy also provides our employees with guidelines on how sustainable investing principles, including ESG considerations, can be further embedded into our business. The document also acts as our formal statement on sustainable investing and ESG integration and is made publicly available through various communication channels and whenever requested by clients, investment partners and other stakeholders.</p> <p>The Policy outlines our sustainable investing philosophy and principles, which are underpinned by five core commitments to:</p> <ol style="list-style-type: none"> 1. Fully embed sustainable investing principles; 2. Mitigate ESG risk and maximise opportunities; 3. Understand the materiality of specific ESG issues; 4. Ensure compliance and continual improvement; and 5. Remain transparent on our ESG performance. <p>Our Policy also provides details of how our ESG principles are fully integrated within all of our investment processes, including sourcing and screening, due diligence, Investment Committee approval, asset ownership and ESG measurement and monitoring.</p> <p>The Policy is communicated to all BlackRock Real Assets employees, and the BlackRock Alternative Investors Sustainable Investing Team proactively engages with all of our Real Assets employees to support its implementation, raise awareness and understanding of our ESG impacts and management methods, and</p>			

encourage knowledge sharing and continual best practice.

Our Sustainable Investing Policy is regularly reviewed to ensure it remains effective for BlackRock Real Assets and remains aligned with BlackRock's wider sustainability investing objectives.

INF 03	Mandatory	Core Assessed	PRI 1,4,6
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INF 03.1	Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.
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Yes

INF 03.2	Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:
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- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

INF 03.3	Describe how your organisation refers to responsible investment for infrastructure funds in fund placement documents (PPMs or similar). [Optional]
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Where appropriate, BlackRock will provide detailed information on our approach to responsible investment for infrastructure as part of fund-raising documents and other relevant client and stakeholder communications. Such information may include details of our sustainable investing policies and strategies, details of our approach on integrating ESG throughout all of our investment selection and asset management processes, and details of our performance within relevant industry benchmarks and other reporting frameworks. We also outline our approach to transparency to sustainable investing and how we will report and communicate asset-level and Fund-level sustainable investing performance across existing and future strategies. Where possible, we also provide detailed examples and case studies from across our infrastructure portfolios to demonstrate our commitment to improved ESG management, performance and reporting.

As standard procedure, when evaluating any infrastructure investments, potential ESG factors and risks that may have material economic consequences throughout the investment life-cycle are considered by the investment management team, and such issues are also considered within the wider investment strategies. ESG performance, risks and opportunities are comprehensively analyzed for all new acquisitions and are further factored into our investment decision and business plan processes for holding, disposal and asset management strategies. The monitoring of ESG factors and performance is also part of our post-investment monitoring. Such information, including our approach to sustainable investing within the different stages of our investment processes, from sourcing and screening, to due diligence, Investment Committee approval, asset ownership and asset-level measurement and monitoring is outlined within our fund placement documents. Further information on our approach may also be provided upon request.

- No
- Not applicable as our organisation does not fundraise

INF 04	Voluntary	Additional Assessed	PRI 4
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INF 04.1	Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment in infrastructure when requested by clients.
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- We always make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a majority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a minority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitments to responsible investment in fund formation contracts, LPAs or side letters because our clients do not request us to do so

INF 05	Mandatory	Gateway	PRI 1
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INF 05.1	Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.
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Yes

INF 05.2	Describe your organisation's approach to incorporating ESG issues in infrastructure investment selection.
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As standard procedure, when evaluating any infrastructure investments, potential environmental, social and governance (ESG) factors and risks that may have material economic consequences throughout the investment life-cycle are considered by the investment management team. Such issues are also considered within our wider real estate and infrastructure investment strategies. ESG risks and opportunities are comprehensively analyzed for all new acquisitions and are further factored into our investment decision and business plan processes for holding, disposal and asset management strategies.

ESG issues that are considered include, but are not limited to, energy and water efficiency, energy and water supply, waste management, biodiversity and the local environmental, contaminated land, climate risk, flood risk, health and safety factors, and local community impact. Opportunities for third party green building certifications and/or sustainability labels and standards will also be considered.

Actions taken to mitigate any identified risks are determined in partnership with appropriate appointed parties, such as specialist engineering, environmental and energy management consultants. The BAI Sustainable Investing Team, including the Global Head of ESG Integration for BlackRock Real Assets, are available as a resource to all of our investment teams should they require additional consultation on assessing material ESG risks and opportunities on any acquisitions, disposals and other transaction opportunities.

As part of a wider strategy to improve the integration of ESG considerations and analysis throughout all of our investment processes, at the start of 2018 BlackRock Real Assets developed and implemented a proprietary Investment ESG Questionnaire which must be completed by our investment teams for all new acquisitions across our global real estate and infrastructure equity investment platforms. The ESG Questionnaire provides a comprehensive framework to assist with identifying and collating information on material ESG risks associated with any new investments.

The Questionnaire asks a number of questions on the various environmental, social and governance risks, and opportunities, that should be considered as

part of the wider due diligence being undertaken by our investment teams. The findings of the Questionnaire help identify any key risks associated with each investment and enable greater due diligence, and ultimately improved, and increasingly responsible, investment decision making across our global platform. The Questionnaire also enhances the transparency and documentation of ESG Integration across our investment activities.

The analysis of each ESG issue and any associated recommendations and/or suggested mitigation plans are made using a reasonable and considered professional judgment based on the information and data available to the relevant Investment Team. Investment Teams are requested to provide risk ratings that they believe are accurate and appropriate.

Our Investment Teams are required to answer each question and self-allocate a risk rating of 'low', 'medium' or 'high', to indicate their perceived risk of the issue within the context of the investment. Key findings from the Questionnaire, including any issues identified as 'medium' or 'high' risk, and associated commentary on each issue, are captured within an ESG Summary Table. Key findings, including the ESG Summary Table, must be included within the Investment Committee Papers for all new acquisitions.

No

INF 06	Voluntary	Descriptive	PRI 1,4
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INF 06.1 Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the infrastructure investment selection process.

- Internal staff
 - Specify role
See additional information
 - Specify role
See additional information
 - Specify role
See additional information
- External resources
 - Environmental advisors
 - Social advisors
 - Corporate governance advisors
 - Regulatory and/or legal advisors
 - Other, specify type of advisors/roles
External ESG Research and Research Providers
- No use of internal or external advice on ESG issues

INF 06.2 Additional information. [Optional]

From 6.1:

- Global Head of Real Assets ESG Integration
- Global Head of Sustainable Investing for BlackRock Alternatives Investors
- BlackRock Sustainable Investing team
- BlackRock Risk and Quantitative Analysis (RQA) Teams

BlackRock utilises a wide range of internal expertise to drive our responsible investing strategies across all of our infrastructure investments.

BlackRock Real Assets

Since 2015 BlackRock Real Assets has had dedicated sustainable investing resource to develop and embed sustainable investing and ESG integration best practice across our global Real Assets platform. At the end of 2017 a dedicated a Real Assets Sustainable Investing Team was formerly established to further progress our approach and performance in sustainable investing. In July 2018 the Real Assets Sustainable Investing Team formed part of a newly created BlackRock Alternative Investors (BAI) Sustainable Investing Team. The BAI Sustainable Investing Team is responsible for instilling BlackRock's firm-wide sustainable investing strategy across our Real Estate, Infrastructure, Hedge Funds, Private Equity and Credit businesses.

To further cement employee commitment to sustainable investing and ESG integration, BlackRock Real Assets is also currently implementing formal sustainable investing objectives for all employees, as part of their wider annual performance objectives. Such objectives are being defined and set for those employees within investment management, asset management and portfolio management roles, and at all managerial levels.

INF 07	Mandatory	Core Assessed	PRI 1,3
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INF 07.1 Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.

- Environmental
 - Local Environment Impacts and Pollution Risks
 - Climate Risk and Resilience
 - Energy Efficiency and Supply
- Social
 - Labour Management
 - Health and Safety
 - Local Communities and Stakeholders
- Governance
 - Governance Structures

INF 07.2 Additional information. [Optional]

When evaluating investments, ESG risks and opportunities, which may have a material impact throughout the investment life-cycle, are considered alongside traditional investment approaches by the investment management team. Examples of ESG considerations that may be factored into our investment processes include, but are not limited to:

Environmental

- Local Environment
- Pollution Risks
- Climate Risks
- Climate Resilience
- Energy Use and Supply
- Water Use and Supply
- Waste Management
- Local Biodiversity

Social

- Labour Management
- Health and Safety
- Local Communities
- Occupiers and Users
- Social Resilience
- Infrastructure Integration

Governance

- Governance Structure
- Business Integrity
- Regulation and Compliance
- Corporate Governance

INF 08	Voluntary	Additional Assessed	PRI 1,3
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INF 08.1 Indicate what type of ESG information your organisation typically considers during your infrastructure investment selection process.

- Raw data from the target infrastructure asset/company
- Benchmarks/ratings against similar infrastructure asset
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, infrastructure sector codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. contractors and suppliers)
- Advice from external sources
- Other, specify
- We do not track this information

INF 08.2 Additional information.

As standard procedure, when evaluating any infrastructure investments, potential ESG factors and risks that may have material economic consequences throughout the investment life-cycle are considered by the investment management team, and such issues are also considered within the wider investment strategies. ESG performance, risks and opportunities are comprehensively analyzed for all new acquisitions and are further factored into our investment decision and business plan processes for holding, disposal and asset management strategies.

The investment processes at BlackRock are comprehensive and all potential infrastructure investments must undergo a three-stage process as a minimum, comprising an 'Portfolio Pricing and Initial Risk Review Meeting, a 'Preliminary Investment Committee' and a 'Final Investment Committee'. As part of these reviews, ESG information is scrutinized as part of the wider due diligence being undertaken, and any potential ESG risks and/or opportunities are factored into the short, medium and long-term analysis for each investment.

Site visits and audits are undertaken prior to any investment to ensure a thorough physical inspection of the asset and to identify any potential issues or risks that might not have been identified from initial desktop reviews or that might not have been provided by the vendor. Where appropriate, additional site visits might be arranged with appointed environmental consultants, energy consultants, asset operators and other technical specialists to review any areas of concern.

BlackRock's investment professionals conduct additional due diligence, including on ESG issues using third party and original research, which is combined with other inputs, such as company reports, sustainability related databases and media, proxy research, and analysis published by investment banks, specialist consultancies and NGOs, to create a mosaic of information referenced in investment decision making.

INF 09	Voluntary	Additional Assessed	PRI 1
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INF 09.1 Indicate if ESG issues impacted your infrastructure investment selection processes during the reporting year.

- ESG issues helped identify risks and/or opportunities for value creation.
- ESG issues led to the abandonment of potential investments.
- ESG issues impacted the investment in terms of price offered and/or paid.
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants.
- ESG issues were considered but did not have an impact on the investment selection process.
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year.
- We do not track this potential impact

INF 09.2 Indicate how ESG issues impacted your infrastructure investment deal structuring processes during the reporting year.

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year.
- We do not track this potential impact

INF 09.3	Additional information.
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ESG risks or issues of concern to our investment teams may impact our investment decisions, specifically in those instances where the potential risks may be considered too great or unmanageable going forward. We have examples from across our global infrastructure portfolios where potential ESG issues have prevented certain potential investments from being progressed or completed. Examples include investments that have been abandoned due to the identification of risks relating to contaminated land, fossil fuel exposure, pollution control, flood risk, climate risk, biodiversity sensitivities and energy efficiency and/or performance. In some instances, community ESG issues have also led to deals being abandoned.

In addition, there have been instances where ESG issues have influenced the price offered by BlackRock for a new investment. This includes examples where pricing has been negotiated due to poorer operational energy efficiency of an asset to reflect the additional capital expenditure required by BlackRock going forward to ensure that the asset can be brought up to minimum energy efficiency standards and market expectations.

As with all investments, any potential ESG risks are considered in line with an analysis of wider risks and opportunities. Where there is concern that any identified risks could impact future value and return on investment for our clients, such risks may lead to the abandonment or restructuring of the deal. In addition, where any risks are identified that do not meet our own organisational ESG standards and requirements, these risks also may lead to abandonment. BlackRock Real Assets will not make an investment if the relevant Investment Team or Investment Committee determines that any ESG risks cannot be sufficiently quantified or mitigated.

INF 10	Mandatory	Core Assessed	PRI 4
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INF 10.1	Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.
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Yes

INF 10.2	Indicate your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.
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- Selection process of third-party operators incorporates ESG issues
 - For all third-party operators
 - For a majority of third-party operators
 - For a minority of third-party operators
- Contractual requirements when appointing third-party operators includes ESG issues
 - For all third-party operators
 - For a majority of third-party operators
 - For a minority of third-party operators
- Monitoring of third-party operators covers ESG responsibilities and implementation
 - For all third-party operators
 - For a majority of third-party operators
 - For a minority of third-party operators

INF 10.3	Provide a brief description of your organisation's selection, appointment and monitoring of third-party operators. [Optional]
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Where commercially reasonable, we seek to incorporate the necessary undertakings in our asset management documentation to contractually oblige our asset managers, property managers and third-party vendors to operate in line with relevant ESG requirements and good industry practice.

BlackRock has a formal process to request and review relevant policies associated with all suppliers and vendors, including our appointed asset managers. All new suppliers and vendors must complete a formal questionnaire that encompasses various key topics, including control documents, legal, health and safety, environmental and insurance. Existing suppliers and vendors must also re-complete the questionnaire annually to update their answers accordingly. As part of this process, all suppliers and vendors are asked to provide copies of their Environmental Policies, as well as additional information pertaining to their environmental management, compliance and operating permits and licenses.

Once appointed, and where appropriate, the BlackRock Alternative Investors (BAI) Sustainable Investing Team may also review the implementation of relevant vendor environmental policies, together with the BlackRock Real Assets Global Business Management Team. Meetings may also be held between the Global Head of BAI Sustainable Investing and/or the Global Head of Real Assets ESG Integration and key asset managers to ensure they are meeting their environmental obligations and objectives. Such objectives may include demonstration that they are actively integrating ESG management within all of their processes and governance activities, together with their day-to-day asset management activities. Specific objectives may also include a commitment to work with BlackRock to collate, manage and report on ESG information across our assets to help drive towards continual improvement.

INF 10.4	Describe how your third-party operators contribute to the management of ESG issues for your infrastructure investments. [Optional]
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Our appointed asset operators play an important role in our sustainability investing objectives, and works closely with the BAI Sustainable Investing Team to support the collation and analysis of environmental performance, as well as supporting the development of sustainability initiatives and projects.

BlackRock works with our asset managers to develop and implement asset-specific sustainability programmes as part of the wider Business Plans for each asset. Such programmes may include bespoke activities, such as avian mitigation strategies, noise monitoring, wildlife monitoring and conservation, community engagement and community support and donations.

BlackRock Real Assets works with all of our Asset Operators and Managers to regularly review any potential ESG risks, and opportunities, associated with the operation of each asset. This process includes the development of ESG-related Key Performance Indicators (KPIs) within the Operational Business Plans, as mentioned above, and the regular reviewing and reporting of progress against these KPIs within formal Operational Asset Management Reports. The KPIs assist in ongoing ESG risk management, monitoring and reporting and ultimately help us drive continual improvements in our ESG performance.

These Operational Asset Management Reports are developed by our Asset Operators and Managers and are provided to BlackRock on a monthly basis. The Reports track a number of key operational factors in relation to each asset, such as monthly energy production and performance, year to date performance and power curve analysis. They also include dedicated sections to report on any ESG-related risks or issues, including any issues relating to

local environment, local biodiversity, on-site health and safety, on-site security and local communities.

BlackRock also works closely with our appointed Asset Operators and Managers to monitor and collate information on ESG risk management initiatives, improvement programmes and measurable sustainability outcomes across all of our assets in this Entity. As part of this, BlackRock collates and reports data and information relating to key ESG metrics, including renewable energy output, energy consumption, water consumption, greenhouse gas emission impacts and asset-level ESG management and enhancement programmes. If any ESG incidents were to occur at any asset then these would also be formally monitored and documented.

No

INF 11	Mandatory	Gateway	PRI 2
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INF 11.1	Indicate whether your organisation and/or operators consider ESG issues in post-investment activities relating to your infrastructure assets.
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Yes

INF 11.2	Indicate how your organisation, and/or operators, considers ESG issues in the following post-investment activities relating to your infrastructure assets.
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- We consider ESG issues in the monitoring and operation of infrastructure
- We consider ESG issues in infrastructure maintenance
- We consider ESG issues in stakeholder engagements related to our infrastructure
- We consider ESG issues in other post-investment activities, specify

Exit. See response to INF 11.3.

INF 11.3	Describe how your organisation, and/or operators, considers ESG issues in post-investment activities related to your infrastructure investments. [Optional]
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From INF 11.2: Sustainability performance and ESG credentials are highlighted as part of seller materials and wider disposal marketing materials. Where appropriate or required, capital expenditure might also be undertaken prior to marketing and/or disposal activities to target improved sustainability performance and ensure market requirements on ESG performance continue to be met.

The long-term strategy of BlackRock Real Assets includes a focus on addressing ESG issues throughout all of our business operations, including post-investment activities and day-to-day asset management activities across all of our global infrastructure portfolios.

We continually develop initiatives to improve the monitoring, management and reporting of environmental performance indicators across our property portfolios, to enable improved benchmarking and to drive improvements in our sustainability performance. We have established a range of monitoring programs across our real estate portfolios to regularly monitor, analyze and report data on a number of metrics, including energy consumption, Scope 1 and 2 greenhouse gas emissions, water consumption, and waste management. BlackRock also works closely with our appointed property managers, on-site building managers and specialist consultants to capture real-time energy, water and waste data and uses such data to help monitor and analyze portfolio performance.

BlackRock continues to grow its focus on asset management initiatives and engagement activities that will improve our ESG performance. Within our real estate portfolios, a number of practices enable us to evaluate and improve sustainability performance. Some of the sustainable asset management initiatives that have been successfully implemented are outlined below.

- **Data Management and Measurement:** We continue to increase auditing and monitoring activities across our assets to improve the quality and quantity of the environmental performance indicators being measured, analyzed and reported. Data management programmes have been rolled across our global portfolios to obtain key information, including energy consumption (and associated greenhouse gas emissions), water consumption, and waste generation and waste recycling rates.
- **Environmental Auditing:** Environmental audits are undertaken across our infrastructure assets to help identify where improvements in environmental and operational performance can be achieved. In some instances, such audits have helped us identify those properties where efficiency upgrades should be prioritized. They also enable us to collate detailed information on energy and water efficiency, which we use to target efficiency and retrofit opportunities.
- **Green Leases:** We strive to include 'Green Clauses' in all new lease agreements across our direct real assets estate portfolios; to improve the environmental performance of those properties and encourage collaborative sustainability opportunities. We aim to develop clauses around the responsible operation of an asset, including tenant cooperation, to drive best-practice and share data and information on asset-level sustainability performance.
- **Tenant Engagement**
 - Where possible we aim to actively engage with our tenants to better communicate, and further progress, sustainability performance across our assets where tenants are present. We have some great examples from across our global portfolios, energy 'switch off-weeks', to recycling campaigns, tree planting, pond dipping, and the establishment of tenant yoga classes and cycling clubs.
- **Technology and Innovation:** We regularly explore the use of innovative technologies and initiatives to drive continual improvements in sustainability management, reporting and performance across our global portfolios. Examples of the initiatives we have developed, and continue to explore and evolve include:
 1. LED lighting and developments in more sustainable and efficient lighting methods;
 2. Developments in more efficient heating, ventilation and air conditioning (HVAC);
 3. Greater adoption and use of Automatic Meter Readings (AMR);
 4. Innovations in Building Management Systems
 5. Innovations in Energy and Sustainability Data Management Systems
 6. Electric Vehicles (EV), EV Charge-points and other EV infrastructure
 7. Renewable energy procurement
 8. Rooftop solar photovoltaics and other small-scale, on-site renewable energy opportunities

Specifically for those assets within our portfolios which are undergoing construction, development or major refurbishment, BlackRock will engage with our contactors to ensure that sustainability best practice is being factored into our programs of works. Considerations include, but are not limited to, material use and resource efficiency, energy efficiency technologies and upgrades, on-site waste management and the development of site waste management plans, pollution control and the protection of habitats and biodiversity.

No

INF 12	Mandatory	Core Assessed	PRI 2
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INF 12.1	Indicate the proportion of infrastructure assets for which your organisation and/or operators included ESG performance in investment monitoring during the reporting year.
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- >90% of infrastructure assets
- 51-90% of infrastructure assets

- 10-50% of infrastructure assets
- <10% of infrastructure assets

INF 12.2 Indicate ESG issues for which your organisation, and/or operators, typically sets and monitors targets (KPIs or similar) and provide examples per issue.

- Environmental
 - Annual Energy Consumption and Reduction
 - Annual Water Consumption and Reduction
 - Greenhouse Gas Avoidance and Reduction
- Social
 - Annual Community Engagement
 - Client Engagement on ESG Performance
 - Health and Safety Reports and Audits
- Governance
 - Governance Checks on all Asset Operators
 - Compliance Checks on all Project Developers / Project Managers
 - Compliance Checks on all Co-investors
- We do not set and/or monitor against targets

INF 12.3 Additional information. [Optional]

BlackRock Real Assets is committed to embedding sustainable investing principles across all of our investment practices, including across our asset management activities. As part of this we aim to establish, where appropriate, ESG key performance indicators to assist in ongoing risk management and help drive continual improvements in our ESG performance.

Where possible, we also aim to measure and monitor the environmental impacts associated with our investments and use such information to establish internal targets and performance improvement objectives.

The BAI Sustainable Investing Team works with our real assets portfolio managers to identify opportunities where ESG factors can be improved and targets can be set. Where possible and appropriate, we have set a number of portfolio-level sustainability targets, which are communicated internally to the relevant portfolio managers and asset managers. Such targets may focus on improved portfolio-level sustainability performance, including renewable energy output, energy efficiency and reduction, greenhouse gas avoidance and reduction, water efficiency and reduction, zero waste to landfill, increased recycling rates and community engagement and support. We also regularly review the opportunities for third-party green building certifications and sustainability standards across our assets and the targets that can be set with regards to asset-level certifications.

INF 13 Mandatory Additional Assessed PRI 2

INF 13.1 Indicate whether you track the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

Yes

INF 13.2 Indicate the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

- >90% of infrastructure investees
- 51-90% of infrastructure investees
- 10-50% of infrastructure investees
- >0% and <10% of infrastructure investees
- 0% of infrastructure investees

No

INF 14 Voluntary Descriptive PRI 2,3

INF 14.1 Indicate the type and frequency of reports you request and/or receive from infrastructure investees covering ESG issues.

Overarching portfolio asset/company reports or similar where management disclosure, financial and ESG data are integrated

Typical reporting frequency

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify

Standalone reports highlighting targets and/or KPIs covering ESG issues

Typical reporting frequency

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually

- Ad-hoc/when requested, specify
- Other, specify
- No reporting on ESG issues requested and/or provided by infrastructure investees

INF 15	Mandatory	Core Assessed	PRI 2
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INF 15.1	Indicate the proportion of active infrastructure maintenance projects where ESG issues have been considered.
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- >90% of active maintenance projects
- 51-90% of active maintenance projects
- 10-50% of active maintenance projects
- <10% of active maintenance projects
- N/A, no maintenance projects of infrastructure assets are active

INF 15.2	Describe your approach to ESG considerations for infrastructure maintenance projects. [Optional]
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As standard practice, ESG issues are considered within all of our infrastructure maintenance projects. As in line with our approach for all new investments, ESG risks and opportunities are comprehensively analyzed for all maintenance projects and are further factored into the business plans for such projects.

Issues that are considered include, but are not limited to, energy management, water management, waste management, biodiversity protection and management, contamination and pollution control, noise pollution and control, health and safety, local labour and labour rights, and local community impacts. BlackRock will also engage with our maintenance contractors and technical teams to ensure that sustainability best practice is being factored into our programs of works, and that appropriate frameworks are being developed to identify, address and mitigate any potential ESG risks that might arise.

Where appropriate, sustainable design and construction practices and opportunities for third party green building certifications and/or sustainability standards may also be considered for any new developments, refurbishments and maintenance projects, as part of the wider project plans. BlackRock also uses recognized third party green building assessment programs and certification schemes to ensure appropriate management frameworks are set and adhered to throughout our maintenance programmes. This may include international programmes such as CEEQUAL, ISO 9001 and ISO 140001.

Where appropriate, asset-level Sustainability Action Plans will also be developed during major maintenance projects to track and provide a reporting framework around key areas, such as pollution control, biodiversity protection, community engagement, energy and water efficiency and management, and waste and resource management.

INF 16	Voluntary	Additional Assessed	PRI 2
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INF 16.1	Indicate which stakeholders your organisation, and/or operators, engaged with on ESG issues in relation to your infrastructure assets during the reporting year and what proportion of your investments they apply to.
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Stakeholders engaged	Percentage of infrastructure assets these apply to
<input checked="" type="checkbox"/> Regulators	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> >90% of infrastructure assets <input type="checkbox"/> 51-90% of infrastructure assets <input type="checkbox"/> 10-50% of infrastructure assets <input type="checkbox"/> <10% of infrastructure assets
<input checked="" type="checkbox"/> Communities	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> >90% of infrastructure assets <input type="checkbox"/> 51-90% of infrastructure assets <input type="checkbox"/> 10-50% of infrastructure assets <input type="checkbox"/> <10% of infrastructure assets
<input checked="" type="checkbox"/> Other stakeholder, specify Internal Infrastructure investment teams	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> >90% of infrastructure assets <input type="checkbox"/> 51-90% of infrastructure assets <input type="checkbox"/> 10-50% of infrastructure assets <input type="checkbox"/> <10% of infrastructure assets
<input type="checkbox"/> Other stakeholder, specify	

INF 16.2	Describe your approach to stakeholder engagements in relation to your infrastructure assets.
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BlackRock Real Assets engages with operators and regulators on a regular basis to ensure our assets are aligned with relevant best practice and legislative requirements at all times. In addition, our teams are actively engaged with the communities in which our assets are located. As part of our extensive Community Engagement Programmes, BlackRock conducts annual outreach efforts to ensure residents and other community groups, such as local schools and youth centres, are benefiting from and have access to educational resources and visits on our investments.

For example, BlackRock regularly hosts tours of our renewable energy assets, including wind farms and solar farms, with local schools, colleges and community groups. BlackRock has also supported several local educational sessions on energy generation and renewable energy within the direct communities in which these assets are located.

Throughout the Real Assets platform, we also have various project level Community Engagement programmes. These programs aim to support and enhance the communities in which we live, work and manage investments.

More generally, BlackRock partners with several chosen charities at an organisational level, whilst regional offices also partner with additional local charities. This enables our firm to have positive impacts at both a global scale and within our direct, local communities, whilst actively encouraging staff to support a range of sustainability causes. For all chosen charities, BlackRock also matches staff donations and volunteer time.

Examples of BlackRock's firm-wide community engagement and charity programs include:

1. The BlackRock Gives Program which supports local nonprofit organizations in building better futures for underserved individuals and communities. The Program partners with charities working to solve a range of social and environmental issues and offers active volunteering opportunities for all BlackRock staff. To support BlackRock Gives, all staff are entitled to two paid volunteer days-off a year.
2. Our partnership with IntoUniversity provides local learning centres for young people from disadvantaged backgrounds to help them enter Further and Higher Education. The program has helped over 75,000 young people receive education and skills-training and subsequently achieve University places.
3. Volunteering and fundraising activities to support BlackRock's philanthropy efforts occur regularly across our Real Assets Teams. Recent activities have supported local wildlife conservation, environmental protection and community enhancement programs.

Further information on our community engagement programs can be found on our dedicated BlackRock Social Impact website at: <https://www.blackrock.com/corporate/about-us/social-impact>.

INF 17	Voluntary	Additional Assessed	PRI 1,2
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INF 17.1 Indicate whether your organisation measures how your approach to responsible investment in Infrastructure investments has affected financial and/or ESG performance.

We measure whether our approach to ESG issues impacts funds' financial performance

Describe the impact on:	Impact
Funds' financial performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

We measure whether our approach to ESG issues impacts funds' ESG performance

Describe the impact on:	Impact
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

None of the above

INF 17.2 Describe how you are able to determine these outcomes.

It is the increasing belief of BlackRock that, on an asset-by-asset basis, we are protecting and even enhancing the returns on investments for our clients through the proactive integration of ESG within all of our investment processes and asset management activities. BlackRock is increasingly realising a positive financial benefit to our infrastructure portfolios within multiple stages of our investment process including, but not limited to, capital raising, asset capital values, asset rental values, and tenant attraction and retention. We regularly analyze the capital values and rental values of our real estate portfolios, and are increasingly recognising the link between strong ESG credentials and performance at an asset level, and the capital value and rental value that those assets can command.

In addition, we are increasingly realising ESG performance improvements across our portfolios, which we are able to determine due to the comprehensive measurement and monitoring of various environmental metrics, including energy efficiency and performance, water consumption and waste management.

On an annual basis, we also submit and report on our infrastructure ESG performance within the Global Real Estate Sustainability Benchmark (GRESB). Our results within the GRESB Benchmark also demonstrate that positive ESG performance improvements continue to be achieved.

INF 18	Voluntary	Descriptive	PRI 1-3
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INF 18.1 Provide examples of ESG issues that affected your infrastructure investments during the reporting year.

Add Example 1

ESG issue	Flood Risk
Types of infrastructure affected	Various infrastructure assets across a range of different geographical locations
Impact (or potential impact) on investment	Lower operator and tenant demand and future, detrimental impacts on asset rental values and capital values due to the potential risks of flooding and/or an increased frequency of flooding.
Activities undertaken to influence the investment and the outcomes	Flood risk, including flood risk from sea level rise, is a key factor assessed during due diligence for all new acquisitions. The flood risk, together with mitigation measures such as the presence of appropriate flood defences, is fully considered. BlackRock has abandoned deals due to the perceived risk of flooding to an asset.

Add Example 2

ESG issue	Contaminated Land
Types of infrastructure affected	Various infrastructure assets across a range of different geographical locations
Impact (or potential impact) on investment	Financial, including the costs of environmental assessments, ongoing management and/or remediation activities to prevent any future risks of identified contaminated land.

Activities undertaken to influence the investment and the outcomes	Financial, including the costs of environmental assessments, ongoing management and/or remediation activities to prevent any future risks of identified contaminated land.
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Add Example 3

ESG issue	Green Building Certifications / Sustainability Standards
Types of infrastructure affected	Social Infrastructure in EMEA, US, and Latin America
Impact (or potential impact) on investment	Financial, including increased rental values, increased capital values and faster tenant attraction rates associated with those assets certified to recognized green building certifications.
Activities undertaken to influence the investment and the outcomes	Opportunities for third party green building certifications for any new developments, major refurbishments and maintenance projects are considered within the wider development plans, and are increasingly recognized for both improving both the long-term environmental performance and financial performance and value of an asset.

Add Example 4

ESG issue	Energy Performance
Types of infrastructure affected	Social Infrastructure in EMEA and US
Impact (or potential impact) on investment	Financial, including the costs of capital expenditure, refurbishment and/or upgrades to bring properties up to minimum energy efficiency market standards
Activities undertaken to influence the investment and the outcomes	BlackRock has negotiated pricing on new investments to factor costs required to improve the energy efficiency of new investments and/or required the vendor to finance such improvements prior to practical completion.

Add Example 5

ESG issue	Investing in sustainable infrastructure assets
Types of infrastructure affected	On-shore wind farms, solar PV farms, waste to energy facilities, high-performing, sustainable real estate and social housing.
Impact (or potential impact) on investment	Financial, including the projected outperformance of renewable assets and the longer-term benefits of investing in resilient forms of energy production.
Activities undertaken to influence the investment and the outcomes	Recognising investment opportunities into sustainable real assets, including renewables, energy efficient real estate and social infrastructure, which have measurable, beneficial environmental and social outcomes, and are projected to remain resilient and outperform in the long-term

INF 19	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 6
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INF 19.1 Describe your organisation's approach to disclosing ESG incidents in infrastructure investments to your investor clients.

Should any ESG-related misconduct, penalties, incidents or accidents occur that are considered to have moderate or major consequences, the appropriate business unit will consider the processes to be followed in line with the BlackRock Real Assets Escalation Procedures and BlackRock's Global Operating Event Policy. Our Global Operating Event Policy is communicated to all employees and contractors and sets out the roles, responsibilities and requirements to facilitate timely identification and management of any operating events at BlackRock, including at any of our real estate and infrastructure direct investments.

In addition to the procedures set out by the Global Operating Event Policy, BlackRock also has appropriate Communications Procedures in place that would be adhered to should there be a requirement to report any ESG-related misconduct, penalties, incidents or accidents associated with the Entity. Any required communication would be supported by the Real Assets Executive Managers, together with our Legal Advisory, RQA (Risk and Quantitative Analysis), Investor Relations and Corporate Communications Teams.

BlackRock Real Assets also has an Escalation Policy which outlines the communication protocol for any incidents that may occur at any of our investment projects. Its primary purpose is to make key Senior Executives, including the Global Head of BAI Sustainable Investing, aware of any incident as immediately as practical. In the event of any ESG-related misconduct, penalties, incidents or accidents, the appropriate Portfolio Manager and Asset Managers would also be notified and, where appropriate, would be required to assist with the resolution of the incident.

HF 01	Mandatory	Descriptive	General
HF 01.1	What is your rationale for adopting a policy to incorporate RI into the investment decision- making process? Please select all options that apply to your organisation.		
	<input type="checkbox"/> To provide a framework and ESG applicability to security selection (the strategy) and decision-making in Hedge Funds (e.g. breaking the strategy into different components and focus on risk/return). <input type="checkbox"/> To provide a framework of the fund governance structure. <input type="checkbox"/> Because ESG incorporation is perceived as a competitive advantage in the industry. <input type="checkbox"/> Growing momentum of sustainable investing in Hedge Funds in the financial community. <input checked="" type="checkbox"/> Other		
	specify	SAE has a dedicated ESG research effort and dedicated senior ESG portfolio manager. The team has incorporated ESG insights across its strategies, including hedge funds.	
	<input type="checkbox"/> None of the above (we don't have a policy addressing RI incorporation into Hedge Funds).		
HF 01.2	Additional information. [Optional]		
	<p>At the core of SAE's investment philosophy is a belief that the investment landscape is continuously changing. Innovation is required in order for any successful investment approach to adapt.</p> <p>The premise of the Team's ESG/sustainability research is that companies have important interactions with the world around them, both positive and negative. Data about these interactions, which companies are not required to report, must be gathered, analyzed, and incorporated into the portfolio.</p> <p>SAE has always placed an exceptionally strong emphasis on research and innovation at the heart of its investment process. We aim to achieve optimal investment outcomes by leveraging the skills of knowledgeable investment people with the use of technology. SAE ESG/sustainability insights rely on researching ideas through a rigorous, disciplined method. We believe the ability to process and analyze vast information generated both by and about companies is critical to success.</p> <p>As a systematic, active investment team, SAE's research and investment processes are highly linked. This approach to investing means that the development of ESG related insights are governed by existing research norms that include team-wide collaboration, and a detailed research review process. Together, teams of researchers and portfolio managers join to identify new research topics to expand the realm of insights relevant and meaningful to our portfolios, including ESG oriented insights. SAE's research is internally developed, and the SAE actively integrates ESG into the investment process.</p>		
HF 02	Voluntary	Descriptive	4,5
HF 02.1	To which normative codes and initiatives are you a signatory to, or a voluntary adherent?		
	<input type="checkbox"/> AOI Hedge Funds Principles 2014 <input checked="" type="checkbox"/> Standards Board for Alternative Investments (SBAI) <input type="checkbox"/> Alternative Investment Management Association (AIMA) <input type="checkbox"/> International Organisation of Securities Commissions (IOSCO) <input type="checkbox"/> CFA's Asset Manager Code of Professional Conduct <input type="checkbox"/> Other <input type="checkbox"/> None of the above		
HF 03	Mandatory	Descriptive	General
HF 03.1	Indicate whether and how your organisation has organised RI implementation and/or oversight responsibilities.		
	<input checked="" type="checkbox"/> We have dedicated internal staff with RI oversight responsibility for Hedge Funds (CEO, CIO, PM, etc.)		
	Specify	Members of Systematic Active Equity Team	
	<input checked="" type="checkbox"/> We have dedicated internal staff with RI implementation responsibility for Hedge Funds (CEO, CIO, PM, etc.).		
	Specify	Members of Systematic Active Equity Team	
	<input type="checkbox"/> We use external consultants that have oversight and/or RI implementation responsibilities. <input checked="" type="checkbox"/> Other		
	Specify	Members of Systematic Active Equity Team	
	<input type="checkbox"/> We do not have staff dedicated to RI oversight and implementation.		
HF 04	Mandatory	Descriptive	General
HF 04.1	Please indicate whether you implemented any RI training program regarding hedge funds investments for your staff during the reporting year.		
	<input checked="" type="checkbox"/> Yes, we have a formal RI training/educational program covering hedge funds. <input checked="" type="checkbox"/> Yes, we have a RI training program to educate staff regarding our hedge funds policies. <input type="checkbox"/> Yes, we regularly train our staff on code of ethics/compliance manuals covering hedge funds investments. <input type="checkbox"/> Other <input type="checkbox"/> No, we don't have a RI training program.		

HF 04.2 Explain how the RI training program is conducted?

As a systematic, active investment team, SAE's research and investment processes are highly linked. This approach to investing means that the development of ESG related insights are governed by existing research norms that include team-wide collaboration, and a detailed research review process. Together, teams of researchers and portfolio managers join to identify new research topics to expand the realm of insights relevant and meaningful to our portfolios, including ESG oriented insights.

SAE's research is internally developed, and the SAE actively integrates ESG into the investment process. As such, the team has invested significant resources researching and incorporating each ESG component into its work.

HF 05 Voluntary Descriptive 1

HF 05.1 In incorporating RI into Hedge Funds, what is(are) the main consideration(s) your organisation follows? Please select all applicable to your organisation.

- To achieve a robust governance structure for our Hedge Funds investments.
- To attain relevant/existing ESG data.
- To clearly identify/manage the ESG opportunities associated with each strategies.
- To clearly identify each strategy and associated financial risks.
- Other
- None of the above

HF 05.2 Does the annual employee(s) performance review or remuneration metrics reflect any component for the inclusion of RI into Hedge Funds?

Yes

If yes, please select and describe all that applies to your organisation (at least one KPI should be linked to the variable pay).

KPI	Variable pay linked	Explanation
<input type="radio"/> Yes <input type="radio"/> No		
<input type="radio"/> Yes <input type="radio"/> No		
<input type="radio"/> Yes <input type="radio"/> No		

No

HF 06 Mandatory Descriptive General

HF 06.1 Please describe the ESG resources and tools used in your investment decision-making process.

Category of ESG	Reason for use
<input checked="" type="checkbox"/> Other resources/tools/practices <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> Specify Other </div>	The development of ESG related insights are governed by existing research norms that include team-wide collaboration, and a detailed research review process.

HF 06.2 Select and explain how these resources are incorporated into the investment and risk management process?

Category of ESG	Investment/risk management process	Additional text (optional)
Other resources/tools/practices	<input checked="" type="checkbox"/> Investment origination <input checked="" type="checkbox"/> Investment analysis <input checked="" type="checkbox"/> Portfolio construction <input checked="" type="checkbox"/> Trade management <input checked="" type="checkbox"/> Risk management	The development of ESG related insights are governed by existing research norms that include team-wide collaboration, and a detailed research review process.

HF 07.1 Does your organisation uses quantitative analysis?

Yes

Please indicate at which level ESG is incorporated into the analysis.

Quantitative modelling	ESG incorporation	Outcomes and assessment/review
<input checked="" type="checkbox"/> Multi-factors models <input type="checkbox"/> Fractal Market Hypothesis (FMH) modelling <input type="checkbox"/> Models Yield <input checked="" type="checkbox"/> Technical analysis (Fibonacci retracements, Bollinger bands, etc.) <input checked="" type="checkbox"/> Univariate models (Box-Jenkins) <input checked="" type="checkbox"/> Monte-Carlo simulations <input checked="" type="checkbox"/> Multiple regression analysis <input checked="" type="checkbox"/> Correlation analysis <input checked="" type="checkbox"/> Other <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Please specify Proprietary modeling</div>	<input checked="" type="checkbox"/> Pre-defined ESG parameters are added in our quantitative models. <input checked="" type="checkbox"/> We conduct scenario analysis to define ESG parameters separately. <input checked="" type="checkbox"/> Variance/Value at Risk analysis with embedded ESG-risks. <input checked="" type="checkbox"/> Other <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Please specify See additional information</div>	See additional information

We don't use quantitative analysis.

HF 07.2 Does your organisation uses fundamental analysis?

Yes

Please indicate at which level ESG is incorporated into the analysis.

Fundamental approach	ESG incorporation	Outcomes and assessment/review
<input type="checkbox"/> Top-down <input checked="" type="checkbox"/> Bottom-up	<input type="checkbox"/> At a micro level - ESG factors are integrated into financial models (DCF, multiples, etc.) <input type="checkbox"/> Financial ratios with embedded ESG factors. <input type="checkbox"/> At a macro level - ESG factors are embedded with economic indicators (GDP, inflation, etc.) <input checked="" type="checkbox"/> Other <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Please specify ESG alongside fundamental and quantitative</div>	BlackRock's SAE team uses quantifies fundamental insights about companies, along with assessments of market structure and investment themes to build its portfolios.

We don't use fundamental analysis.

HF 07.3 Additional information [OPTIONAL]

7.1 ESG Incorporation: Other - The development of ESG related insights is governed by existing research norms that include team-wide collaboration and a detailed research review process.
 7.2: BlackRock's SAE team quantifies fundamental insights about companies, along with assessments of market structure and investment themes to build its portfolios.

HF 08.1 Could you please indicate whether there have been any changes to your RI incorporation process over the past 12 months (e.g. additional resources, information sources)?

Yes
 No

HF 08.2 If yes, please describe them.

SAE has had a dedicated senior Portfolio Manager for ESG and Sustainable Investing since 2015. As a result, there has not been a change in the last 12 months to staffing this area, which was already resourced. SAE continually updates information sources and analyses. Research and innovation are the guiding principles behind SAE's investment strategies. In the 1970s, we pioneered the practical implementation of structured and disciplined approaches to investments and as market dynamics and technology evolve, we have continued to adapt and modify our approach. SAE continues to publish ESG research and findings in journal articles and beyond, and to use proprietary research methods to incorporate new ESG insights into portfolios.

HF 09.1 Please select and explain how active ownership practices are integrated into investment decisions.

- (Proxy) Voting
- Engagement
- Shareholder resolution

HF 11.5	Additional information [OPTIONAL]
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SAE actively integrates ESG into our investment process. As such, the team has invested significant resources researching and incorporating each ESG component into our work. In integrating environmental considerations into our process, our efforts have, among other insights, relied on our findings about carbon and productivity published in the Journal of Investment Management. With regard to social and governance issues, we have identified insights that allow us to better understand management quality, and controversies at companies, the latter evidenced by another SAE paper published in the Journal of Investment Management, (which received one of that journal's annual distinction awards). SAE research is conducted with the intention of discovering meaningful information about companies, market structure, and the macro environment that can be made available for portfolio construction decisions. SAE research is developed internally, and SAE actively integrates ESG into our investment process. SAE processes a significant amount of information concurrently to determine ultimate portfolio positioning, which is expressed through active weighting toward or away from a benchmark in long only portfolios (or weighting implemented to achieve an absolute return outcome in portfolios without a benchmark). SAE's investment models systematically consider the characteristics of a large number of stocks, market structure dynamics, and macro thematic considerations daily in order to construct portfolios that make optimal trade-offs. This investment process results in multiple, small position deviations, rather than a few concentrated holdings. As a result, SAE portfolios are highly diversified and individual stock positions are tightly managed.

HF 12	Mandatory	Descriptive	1,2
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HF 12.1	Could you indicate whether you report separately on your funds' long/short/net exposures?
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- Yes
- No
- Not Applicable

Please explain
Decline to respond

HF 13	Mandatory	Descriptive	1,2
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HF 13.1	Please describe what metrics/initiatives (internal and/or external) your organisation uses to measure its progress in incorporating RI into the investment process.
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- Add Example 1
- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10
- We are not able to provide examples

HF 13.2	Additional information [OPTIONAL]
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SAE actively integrates ESG into our investment process. As such, the team has invested significant resources researching and incorporating each ESG component into our work. In integrating environmental considerations into our process, our efforts have, among other insights, relied on our findings about carbon and productivity published in the Journal of Investment Management. With regard to social and governance issues, we have identified insights that allow us to better understand management quality, and controversies at companies, the latter evidenced by another SAE paper published in the Journal of Investment Management, (which received one of that journal's annual distinction awards).

HF 14	Voluntary	Descriptive	General
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HF 14.1	Does your organisation assess the funds' exposure to climate-related risks, measure and monitor the carbon footprint of its investment portfolio?
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- Yes
- No

HF 15	Mandatory	Descriptive	2,6
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HF 15.1	How often and in what format (e.g. meetings, written reports) does your organisation report to its investors on ESG activities risks assessments? Please provide reporting examples.
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- Add Example 1
- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10
- We are not able to provide examples

We are unable to provide examples.

CM1 01	Mandatory	Additional Assessed	General
CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:		
<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Whole PRI Transparency Report has been internally verified <input type="checkbox"/> Selected data has been internally verified <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			
CM1 02	Mandatory	Descriptive	General
CM1 02.1	We undertook third party assurance on last year's PRI Transparency Report		
<input type="checkbox"/> Whole PRI Transparency Report was assured last year <input type="checkbox"/> Selected data was assured in last year's PRI Transparency Report <input checked="" type="checkbox"/> We did not assure last year's PRI Transparency report <input type="checkbox"/> None of the above, we were in our preparation year and did not report last year.			
CM1 03	Mandatory	Descriptive	General
CM1 03.1	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:		
<input checked="" type="checkbox"/> We adhere to an RI certification or labelling scheme			
CM1 03.2	Which scheme?		
<input type="checkbox"/> National SRI Label based on the EUROSIF Transparency guidelines <input type="checkbox"/> B-corporation <input checked="" type="checkbox"/> UK Stewardship code			
	% of total AUM the scheme applies		
<input checked="" type="checkbox"/> < 25% <input type="checkbox"/> 25-50 % <input type="checkbox"/> 50-70 % <input type="checkbox"/> >75 %			
<input checked="" type="checkbox"/> GRESB			
	% of total AUM the scheme applies		
<input checked="" type="checkbox"/> < 25% <input type="checkbox"/> 25-50 % <input type="checkbox"/> 50-70 % <input type="checkbox"/> >75 %			
<input type="checkbox"/> Commodity type label (e.g. BCI) <input type="checkbox"/> Social label <input type="checkbox"/> Climate label <input type="checkbox"/> RIAA <input type="checkbox"/> Other			
<input type="checkbox"/> We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report <input type="checkbox"/> ESG audit of holdings <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			
CM1 04	Mandatory	Descriptive	General
CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?		
<input type="checkbox"/> Whole PRI Transparency Report will be assured <input type="checkbox"/> Selected data will be assured <input checked="" type="checkbox"/> We do not plan to assure this year's PRI Transparency report			
CM1 07	Mandatory	Descriptive	General

CM1 07.1

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

- CEO or other Chief-Level staff
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)