BlackRock Sustainability Accounting Standards Board Disclosure

For the year-ended December 31, 2018

All data in this Sustainability Accounting Standards Board ("SASB") disclosure is as of, or for the year-ended December 31, 2018 unless otherwise noted.

BlackRock®

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i. We have renamed this section to 'Risk Management' from 'Systemic Risk Management.' See page 4 for further information.

Introduction

BlackRock's purpose is to help more and more people experience financial well-being. In pursuit of our purpose, we embed a focus on long-term sustainability across our business for the benefit of our stakeholders: clients, shareholders, employees, and communities.

As an investor and advocate for greater transparency, BlackRock is committed to providing meaningful sustainability information to stakeholders.

We disclose information about our sustainability and governance, social, and environmental practices through: BlackRock's Annual Report, Proxy Statement, Investment Stewardship Annual Report, and BlackRock's Sustainability website, found at www.blackrock.com.

As the landscape evolves, we continue to enhance our sustainability reporting, beginning with disclosure aligned to the SASB framework. This is an initial step in our evolution as we build a more unified sustainability disclosure framework. We look forward to providing additional reporting in the coming months.

BlackRock, Inc. SASB Index[ii]

This SASB disclosure is being provided for BlackRock, Inc. (together, with its subsidiaries, unless the context otherwise indicates, “BlackRock” or the “Company” or the “firm”). BlackRock, Inc. is a leading publicly traded investment management firm with $5.98 trillion of assets under management (“AUM”) at December 31, 2018. With approximately 14,900 employees in more than 30 countries who serve clients in over 100 countries across the globe, BlackRock provides a broad range of investment and technology services to institutional and retail clients worldwide.

Asset Management & Custody Activities Sustainability Accounting Standard

Topic	Code	Accounting Metric	Page Reference
Transparent Information & Fair Advice for Customers	FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Page 5
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	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	Page 12

ii. The inclusion of information contained in this disclosure should not be construed as a characterization regarding the materiality or financial impact of that information. Please also see our Annual Report on Form 10-K filed on February 28, 2019 (“2018 Annual Report and 10-K”) and other publicly filed documents available at https://ir.blackrock.com/.

Business Ethics	FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Page 15
	FN-AC-510a.2	Description of whistleblower policies and procedures	Page 15
Risk Management[iii]	FN-AC-550a.1	Percentage of open-end fund AUM by category of liquidity classification	Page 16
	FN-AC-550a.2	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	Page 16
	FN-AC-550a.3	Total exposure to securities financing transactions	Page 17
	FN-AC-550a.4	Net exposure to written credit derivatives	Page 18
Activity Metrics	FN-AC-000.A	(1) Total registered AUM	$3.44 trillion[iv]
		(2) Total unregistered AUM	$2.54 trillion[v]
	FN-AC-000.B	Total AUM[vi]	$5.98 trillion

iii. We have renamed this section to 'Risk Management' from 'Systemic Risk Management'. The SASB Asset Management & Custody Activities Standard description of this section states: "[a]sset managers and custodian banks have the potential to pose, amplify, or transmit a threat to the financial system." It is our view that there is no compelling evidence to support the assertion that asset managers present systemic risk at the company level. On December 4, 2019, the SASB Standards Board voted to initiate a project to revisit this topic in the SASB Asset Management & Custody Activities Standard.

iv. Includes pooled funds that, in our judgement, qualify as 'registered AUM' as the term has been defined in the SASB Asset Management & Custody Activities Standard. These funds include all *iShares®* exchange-traded funds ("ETFs"), open- and closed-end mutual funds (including money market funds), collective investment funds that are maintained and managed by BlackRock Institutional Trust Company, N.A. ("BTC") and are managed in compliance with the Employee Retirement Income Security Act of 1974 ("ERISA"), Undertakings for Collective Investment in Transferrable Securities ("UCITS"), non-UCITS retail schemes, and comparable funds domiciled in the Asia-Pacific region.

v. Total unregistered AUM equals total AUM minus total registered AUM.

vi. We have renamed this metric to 'total assets under management' from 'total assets under custody and supervision', because assets under management is a more relevant activity metric for asset managers and BlackRock is an asset manager, not a custodian bank. In the case of collective investment funds maintained by BTC, BTC is the trustee and named custodian but has retained custodian banks to provide accounting, administration, and custodial services for those funds.

Discussion of Accounting Metrics

Transparent Information & Fair Advice for Customers

FN-AC-270a.1

(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings[1]

There were no covered employees[2] with a record of new investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings disclosed during 2018. As of December 31, 2018, BlackRock had one covered employee, representing 0.05% of covered employees, who disclosed a matter of the kind listed above during their employment tenure at BlackRock.

BlackRock has policies, procedures, and controls reasonably designed to ensure compliance with applicable rules and regulations, including the requirement that the firm and its employees maintain accurate regulatory filings.

FN-AC-270a.2

Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers

BlackRock did not sustain any monetary losses in the reporting period as a result of legal proceedings associated with its marketing and communications to customers, as described above. However, BlackRock paid de minimis fines (totaling less than $75,000) for conduct that occurred from 2014 through 2016 at a business prior to its acquisition by BlackRock in September 2018.

BlackRock discloses all material legal and regulatory proceedings in its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

FN-AC-270a.3

Description of approach to informing customers about products and services

BlackRock is a publicly traded investment management firm, offering a wide range of investment products and services to a diverse mix of institutional and retail clients across the globe. Clients include tax-exempt institutions, such as defined benefit and defined contribution pension plans, charities, foundations and endowments; official institutions, such as central banks, sovereign wealth funds, supranationals, and other government entities; taxable institutions, including insurance companies, financial institutions, corporations, and third-party fund sponsors, and retail investors.

When communicating with clients about our investment management services and specific products, we are subject to various laws and regulations, as well as BlackRock's own policies, procedures, and guidelines requiring our communications to be clear and accurate, fair and balanced, and not misleading. Additionally, we consider the nature of the audience to which our communications are directed and provide the appropriate details and explanations.

1. The data included in response to this item is based on the population of covered employees on December 31, 2018.

2. 'Covered employees' is defined by SASB as employees subject to filing the following forms: Form U4 with the Central Registration Depository ("CRD") of the Financial Industry Regulatory Authority ("FINRA"); Form U5 with the CRD of the FINRA; Form U6 with the CRD of FINRA, Form BD with the Investment Adviser Registration Depository ("IARD") of the U.S. Securities and Exchange Commission ("SEC"); and Form BDW with the IARD of the SEC.

When we communicate with our clients, we strive to:

- be transparent with respect to our business, practices and potential conflicts of interest;
- identify key risks associated with our products and services and disclose these risks in our materials;
- engage with our clients to understand and address their evolving needs; and
- respond to client questions and address client feedback.

Importantly, we have a framework aimed at ensuring that marketing materials adhere to applicable laws and regulations and BlackRock's policies, procedures, and guidelines.

Below is a general description of the information about our products and services that we make available to clients and prospective clients in 3 key channels of our business: (i) retail; (ii) *iShares*® ETFs; and (iii) institutional. However, this description is not exhaustive because the way we communicate with our clients varies based on a number of factors including applicable laws and regulations, the type of client, and the product or service in question.

Retail

BlackRock serves retail investors globally through a wide array of vehicles across the investment spectrum, including separate accounts, open-end and closed-end funds, unit trusts, and private investment funds. Retail investors are served principally through intermediaries, including broker-dealers, banks, trust companies, insurance companies, and independent financial advisors.

Information about BlackRock's mutual funds that are available to retail investors is provided on BlackRock's website, www.blackrock.com. Our website is tailored to the client type and region of domicile. Information that is made available includes the fund's constituent documentation (e.g., prospectus) and the fund's investment strategy, characteristics, fees and expenses, financial statements, and performance.

***iShares*® ETFs**

iShares ETFs are traded on exchanges, which means that we often do not have complete transparency on or a direct relationship with the ultimate end-client.

Information about *iShares* ETFs can be found on www.ishares.com. The *iShares* website is tailored to the visitor's region of domicile. Information that is made available includes the fund's constituent documentation (e.g., prospectus) and the fund's investment strategy, characteristics, fees and expenses, financial statements, and performance.

Institutional

BlackRock serves a variety of institutional investors on 6 continents including: pensions, endowments and foundations, official institutions, and financial institutions.

Institutional clients may work with investment consultants who help them make decisions about their allocations to investment products. BlackRock's relationship managers work with current and prospective institutional clients and their consultants to provide information about our products and services.

Additional Information

BlackRock makes available information about our business practices and potential conflicts of interest in the following resources:

- **Form ADVs** for BlackRock's investment advisers registered with the SEC are available on the SEC's Investment Adviser Public Disclosure ("IAPD") website.[3] The Form ADVs provide information about our SEC-registered investment advisers and their business, ownership, clients, employees, business practices, affiliations, conflicts of interest, disciplinary events, advisory services, and fees.
- **BlackRock's Code of Business Conduct and Ethics** (the "Code") is available on the BlackRock website. This document sets out basic principles to guide employee conduct. The Code is supported by separate employee conduct policies and programs and reinforced through employee training.
- **BlackRock Investment Stewardship Global Corporate Governance Guidelines & Engagement Principles** are available on the BlackRock website. This document outlines the BlackRock Investment Stewardship team's philosophy on corporate governance and framework for proxy voting. BlackRock Investment Stewardship is further discussed under FN-AC-410a.3 of this disclosure.

3. Underlined text in this document provides embedded links to websites.

Employee Diversity & Inclusion

FN-AC-330a.1

Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees

BlackRock is committed to cultivating and advancing diversity in all forms. We believe that a strong culture – one in which inclusion and belonging are paramount – creates room for all employees to contribute the ideas that will shape BlackRock's success over the long term.

Our History

Eight founders – 6 men, 2 women – started BlackRock 31 years ago with the commitment to do things differently, to constantly push ourselves to do better for our clients and employees. BlackRock knew early on that if we wanted to succeed, we had to avoid groupthink. That is why we pay so much attention to building a strong culture where all BlackRock citizens strive to be open and inclusive leaders and teammates. Representation alone is not enough – we need every member of our firm to feel empowered to speak up and make their best contribution.

Transparency & Accountability

Transparency and accountability are critical as BlackRock seeks to create a more inclusive and diverse workforce – we use both to inform and improve our recruiting and development practices. We track and monitor voluntarily disclosed diversity data to review hiring, promotion, and attrition at the firm, regional, and functional levels. We also review performance data, promotion, and compensation to seek to ensure fair and objective decision-making. During the firm's Quarterly Business Reviews of each business unit, senior management receives detailed information from each business about progress with respect to diversity and inclusion.

The Management Development and Compensation Committee of BlackRock's Board of Directors (the "Board") oversees our Global Executive Committee's ("GEC") compensation and bonus pools, which are determined, in part, based on how members of the GEC deliver against annual Talent and Diversity objectives. Further, our 2019 Proxy Statement discusses how organizational strength objectives, such as building a more diverse and inclusive culture and developing great managers and leaders, are factored into performance assessments of BlackRock's Named Executive Officers.

BlackRock's Board plays a critical role in the oversight of talent and culture and annually engages in an in-depth review of the Company's culture, talent development, retention and recruiting initiatives, inclusion and diversity strategy, leadership and succession planning, and employee feedback. BlackRock's specific talent initiatives are executed by our employee-led Human Capital Committee, which is comprised of over 40 senior leaders who help design, drive, and sponsor initiatives relating to talent and culture in partnership with our Human Resources function.

Leadership Development Programs

We believe that a critical driver of our firm's future growth is our ability to grow leaders. We are committed to identifying and developing diverse talent to help those employees accelerate their growth and achieve their career goals. Select employees are invited to participate in our flagship leadership programs, which include assessments, executive coaching, in person and virtual learning, and senior management sponsorship. We track participants' engagement and success throughout the programs as well as their growth following the program through promotion rates and role expansions. Examples of our leadership programs include the Women's Leadership Forum, Enterprise Leadership Acceleration at BlackRock, and Leadership Excellence and Development. See our Learning & Development page on www.blackrock.com for more information.

Employee Feedback

We value continuous dialogue with our employees about their experiences. We have several employee feedback mechanisms including our annual Employee Opinion Survey, which has more than 90% participation annually and provides us with actionable feedback for each team and for BlackRock as a whole, and an annual People Manager Insights Survey, which provides individual managers with feedback on how they are progressing against the firm's expectations for managers. We believe that our high levels of participation in the feedback mechanisms reflect employees' beliefs that their responses will lead to action by management.

Through this process, we learned, for example, that our employees were seeking more flexible time off. That's why we enhanced our time off policies globally in 2018. Instead of being held to a fixed number of paid days off per year, we now provide all employees with Flexible Time Off ("FTO"), giving employees the flexibility to take as much time off as they need to refresh and recharge (with manager approval), while still fulfilling their work responsibilities and ensuring teammates cover for one another while they are away.

Employee Networks

Our employee networks provide an opportunity for employees with a diverse range of backgrounds, experiences, and perspectives to connect with one another and help shape BlackRock's culture. Employee networks are sponsored by senior leaders and are proudly designed by employees, for employees. Employee Networks are over 12 years old at BlackRock, with the Women's Initiative & Allies Network first established in 2006. Today, we have 8 employee networks including the Black Professionals & Allies Network, SOMOS Latinx & Allies Network, OUT & Allies Network, Families & Allies Network, and the Veterans & Allies Network. We continue to add new networks to support our employees. For example, in 2017, we launched the Ability & Allies Network to support employees affected by disability. In 2018, we launched Mosaic, which serves as a forum to identify and explore shared interests and common challenges across all networks and the firm. See Inclusion & Diversity on www.blackrock.com for more detail on our Employee Networks and other inclusion and diversity initiatives.

Employee Benefits

We offer a wide range of benefits that are aimed at supporting our employees in all aspects of their well-being. These benefits include retirement savings plans, a FTO policy and flexible working arrangements, and parental leave and family support benefits, including fertility benefits, adoption and surrogacy assistance, and backup elder and childcare benefits.

Where local providers allow, BlackRock offers health benefits and voluntary benefits to same-sex domestic partners and spouses. In addition, where local providers allow, our plans include transgender-inclusive health and transition benefits.

In addition, we support causes our employees care about, which includes matching up to $5,000 per employee in donations or volunteer hours each year.

See Rewards & Benefits on www.blackrock.com for more information about employee benefits at BlackRock.

Our Commitment

We have made a long-term commitment to increasing diversity across all levels of the firm through hiring, retention, promotion, and development initiatives. We embrace the responsibility we have to our employees and to the communities in which we operate. We also recognize the scale of the issue and the multi-year focused effort required.

Over the past 3 years, we have seen significant increases in our recruitment of diverse talent, which is an important indicator of the future composition of our employee-base and management. In 2018, nearly half of all hires were women (47%), bringing our global female representation to 41% as of January 1, 2019. As for ethnic minorities, in the US, 50% of our 2018 hires identify as an ethnic minority.[1] In addition, we are encouraged by the progress we are seeing in our campus recruiting program, which included over 400 new hires in 2018. We have evolved our campus recruiting strategy to promote our opportunities across a wider range of universities. We actively seek out students through a variety of channels including targeted events, conferences, and direct outreach, in order to ensure a diverse talent pool. This approach reflects our belief that high performing talent can be found everywhere.

As a firm, we recognize and are proud of the strides we have made with our diversity and inclusion strategy while acknowledging the work ahead of us and recommitting our focus on future progress.

1. Ethnic minority in this context refers to individuals who report their ethnicity as Asian, Black or African American, Hispanic or Latino, or Other.

FN-AC-330a.1 (continued)

Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees

The tables below provide breakdowns of gender representation globally and racial/ethnic group representation for US employees. The below categories conform to the EEO-1 Job Classification Guide. All data in the below tables is as of January 1, 2019.

Gender Representation of Global Employees (%)

	Female	Male	N/A[e]
Executive Management[a]	20%	80%	0%
Non-Executive Management[b]	29%	71%	0%
Professionals[c]	42%	58%	0%
All Other Employees[d]	91%	9%	0%
Total	41%	59%	0%

Racial / Ethnic Group Representation of US Employees (%)

	Asian	Black or African American	Hispanic or Latino	White	Other[f]	N/A[e]
Executive Management[a]	19%	3%	4%	74%	0%	<1%
Non-Executive Management[b]	17%	3%	3%	74%	2%	<1%
Professionals[c]	31%	5%	5%	55%	2%	2%
All Other Employees[d]	10%	16%	13%	57%	4%	0%
Total	26%	5%	5%	61%	2%	1%

Data as of January 1, 2019.

a) Represents Executives/Senior Officers & Managers as defined by the EEO-1 Job Classification Guide.
b) Represents First/Mid Officers & Managers as defined in the EEO-1 Job Classification Guide.
c) Represents Professionals and Sales Workers as defined in the EEO-1 Job Classification Guide.
d) Represents Administrative Support Workers as defined in the EEO-1 Job Classification Guide.
e) N/A represents not available or not disclosed.
f) Other includes Native American or Alaska Native, Native Hawaiian or Pacific Islander, and "Two or More Races".

See EEO-1 Job Classification Guide, available at https://www.eeoc.gov/employers/eeo1survey/jobclassguide.cfm for additional information.

Incorporation of ESG Factors in Investment Management & Advisory

FN-AC-410a.1

Amount of assets under management, by asset class, that employ (1) integration of ESG issues, (2) sustainability themed investing, and (3) screening

Please see the table on the following page.

FN-AC-410a.2

Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies

At BlackRock, we define ESG integration as the practice of incorporating material environmental, social, and governance information into investment decisions in order to enhance risk-adjusted returns.

BlackRock's consistent yet flexible 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.

Our PRI Transparency Report provides specific examples of how ESG considerations are incorporated into specific investment teams' investment processes. Further, as described under FN-AC-410a.3, BlackRock's Investment Stewardship team ("BIS") integrates ESG considerations in their engagement and voting activities to encourage long-term, sustainable growth and returns from portfolio companies.

At BlackRock, the people responsible for investment decisions are also responsible for integrating ESG information into the investment analyses that support those decisions. Our investment teams develop views on the materiality of specific sustainability-related topics by considering external and proprietary ESG research from a variety of sources. BlackRock has integrated issuer-level ESG data into our internal risk management system, *Aladdin®*, which BlackRock investors use to support investment decisions and to monitor portfolios. This allows portfolio managers using *Aladdin* technology to efficiently access ESG information for investment analyses and portfolio construction.

In addition, BlackRock employs dedicated resources to support sustainable investing. The BlackRock Sustainable Investing team ("BSI"), the BIS team, and individuals across BlackRock's technology and analytics platform work together to advance ESG research and tools to support ESG integration efforts. BSI 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 into investment decisions. BSI also reports on ESG integration progress across investment teams to the GEC Investment Sub-Committee at least annually.

Finally, BlackRock manages a broad range of dedicated sustainable investment solutions, from green bonds and renewable infrastructure to thematic strategies that allow clients to align their portfolios with the UN Sustainable Development Goals. Further, BlackRock is the largest provider of sustainable ETFs and BlackRock manages 2 of the largest renewable power funds globally. With deep expertise in alpha-seeking and index strategies, across public equity and debt, private renewable power, commodities, and real asset strategies, we continue to build scalable products and customized sustainable investment solutions across asset classes.

FN-AC-410a.1 (continued)

Amount of assets under management, by asset class, that employ (1) integration of ESG issues, (2) sustainability themed investing, and (3) screening

The table below provides the amount of AUM in different asset classes and investment styles that, in the judgment of the BSI team, fall under SASB's 'Sustainability Themed Investing' and 'Screening' categories, respectively. We continue to evolve our approach to measuring progress towards ESG integration. We plan to expand our reporting to cover ESG integration over time.

Asset Class / Investment Style	Sustainability Themed Investing ($US billions)[a]	Screening ($US billions)[b]
Active		
Equity	$6	$16
Fixed Income	21	127
Index and iShares ETFs		
Equity	18	223
Fixed Income	1	45
Multi-Asset	-	21
Alternatives	4	2
Long-term	**50**	**434**
Cash Management	-	12
Total	**$50**	**$446**

Data as of December 31, 2018.

a) Sustainability Themed Investing refers to products that, in the judgment of the BSI team, include: i) investments in securities based on overall ESG performance; ii) investments that are focused on a particular ESG issue; or iii) investments that are targeting a specific sustainable outcome alongside financial returns.

b) Screening refers to products that, in the judgment of the BSI team, avoid specific companies or sectors that are associated with one or more objectionable activities as determined by the investors in those products. Not all products included under this category apply the same screens.

FN-AC-410a.3

Description of proxy voting and investee engagement policies and procedures

BlackRock has an in-house team dedicated to investment stewardship, called BlackRock Investment Stewardship (“BIS”). BIS is responsible for proxy voting and engagement with companies held on behalf of BlackRock’s clients. BIS is organized regionally, reflecting the different regulatory requirements, corporate governance practices, and client expectations in different jurisdictions.

BIS’ approach to corporate governance and stewardship is outlined in the Global Corporate Governance Guidelines & Engagement Principles (the “Principles”). The Principles describe the BIS team’s engagement philosophy, voting policy, and integrated approach to stewardship matters. The Principles also provide the framework for more detailed, regional proxy voting guidelines. Finally, the Principles include an explanation of how stewardship-related conflicts of interest are managed.

Engagement Approach

BIS advocates for sound corporate governance and sustainable business practices that result in long-term value creation for our clients. BIS engages with portfolio companies to provide feedback on their practices and inform our voting decisions. BIS focuses on issues across environmental, social, and governance topics where BIS believes there is potential for material long-term financial impact to a portfolio company’s performance.

Each year, BIS determines and publishes its engagement priorities. These are based on the BIS team’s 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.

In 2019, the engagement priorities were: (i) Board Quality; (ii) Corporate Strategy and Capital Allocation; (iii) Compensation that Promotes Long Termism; (iv) Environmental Risks and Opportunities; and (v) Human Capital Management. See the Stewardship Engagement Priorities for a more detailed discussion of each priority.

Proxy Voting

Proxy voting is the most broad-based form of engagement BIS has with portfolio companies and provides a formal channel for feedback to each company’s board and management about investor perceptions of its performance and governance practices.

BIS’ voting analysis is informed by company engagements and independent research using multiple sources and company-specific situations. BIS publishes custom regional proxy voting guidelines, which serve as the benchmark against which BIS determines how to vote based on a portfolio company’s corporate governance and business practices. BIS reviews voting guidelines annually and amends them as needed to reflect changes in market trends, evolving governance practices, public policy developments, market standards, and insights gained from engagements over the prior year.

Transparency

BlackRock is transparent about its stewardship activities. On www.blackrock.com/stewardship, BIS publishes Quarterly and Annual Reports, detailed commentaries on specific engagement topics, and letters and consultations on key public policy issues. BIS also provides statements of adherence to multiple stewardship codes. See the 2019 Investment Stewardship Annual Report for the most recent BIS Annual Report.

Approach to Environmental & Social (“E&S”) Issues

As discussed in the BIS team’s Principles, BIS expects companies to identify and report on material, business-specific E&S risks and opportunities and to explain how these risks and opportunities are managed. Engagement on a particular E&S factor is based on BIS’ assessment that there may be potential material economic, operational, or reputational ramifications for the company over the long-term.

BIS may vote against the election of directors where BIS has concerns that a portfolio company might not be dealing with material E&S factors appropriately. Sometimes BIS may reflect such concerns by supporting a shareholder proposal on the issue, especially where BIS believes there is either a significant potential threat or realized harm to shareholders’ interests caused by poor management of E&S factors. In deciding the course of action, BIS will assess whether the portfolio company has already taken sufficient steps to address the concern and whether there is a clear and material disadvantage to the company if the issue is not addressed. Importantly, a BIS vote on any given shareholder proposal does not reflect BlackRock's view of the importance of the issue at the heart of that proposal; rather, it reflects BIS' view of how that specific proposal, as it is specifically worded, would enhance long-term value for our clients. Below are examples of BIS' approach to engagement on certain E&S issues.

BIS Approach to Climate Risk

BIS' approach to engagement on climate risk is discussed in detail in BIS Approach to Engagement on Climate Risk. The aims of BIS' climate risk engagements are two-fold: (1) to gain a better understanding, through disclosures, of the processes that each portfolio company has in place to manage material climate risks; and (2) to understand how those risks are likely to impact the company's business. Climate risk engagements center on a portfolio company's potential for alignment with the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations: a four-pronged approach concerning governance, strategy, risk management, and metrics and targets.

BIS has published a number of examples of climate risk engagement outcomes in regional quarterly BIS reports. For instance, BIS included a case study in the 2019 Q3 Americas Quarterly Report that discussed multi-year engagements with a US energy company on climate risk and governance. This case study details BIS' discussions and some of its recommendations to the company, such as: (1) enhanced greenhouse gas ("GHG") emissions disclosure to include setting goals; (2) improved risk assessments and long-term resilience with regard to its asset mix; and (3) research and development allocations in alignment with its corporate strategy. BIS' ongoing dialogue had been largely constructive and effective, however there were matters where the company was not adequately responsive to feedback. As a result, BlackRock, at the recommendation of BIS, voted against the re-election of the lead independent director and supported a shareholder proposal seeking a report on the extreme weather resilience of certain operations.

This example illustrates BIS' approach to engage with companies and provide meaningful feedback on their approach to climate risk management and disclosure, and to subsequently recommend a vote in favor of a shareholder proposal or to vote against a director if their concerns are not sufficiently addressed. We believe that evidence of the impact of climate risk on investment portfolios is building rapidly and we are accelerating our engagement with companies on this critical issue.

BIS Approach to Human Capital Management

As described in the BIS Approach to Engagement on Human Capital Management ("HCM"), BIS views HCM as both a board and a management issue. When BIS engages with portfolio companies on HCM, they consider material factors including ensuring employee health and safety, employee training and development programs, supply chain concerns (i.e. policies and practices covering contingent workers, contractors and subcontractors), wellness programs, and support of employee networks.

The BIS 2018 Q3 Americas Quarterly Report discusses an engagement with a multinational US restaurant franchise where the founder, CEO, and chairman made disparaging public comments, which led to the loss of his leadership role on the board. In response to public and shareholder pressure, the company's board took the unusual step of publishing a letter, denouncing the founder's pattern of behavior and initiating an independent audit and investigation of its corporate culture. Consequently, the company's management undertook a series of engagements with investors that detailed their new strategic framework, which highlighted investing in its people. The company's board explained that it plans to incorporate HCM into its corporate strategy and to diversify its board, management, and workforce. BIS suggested that the company publicly disclose more on its HCM strategy, including how it affects performance. BIS intends to continue engaging the company on its progress.

Sharing ESG insights with Portfolio Managers

BIS is considered an investment function at BlackRock. BIS works closely with BlackRock's active portfolio management teams. Core tenets of good governance — board oversight, minority shareholder rights, and management quality — are desirable qualities sought by all investors and can be a differentiating factor for equity or fixed income investor decisions. BIS confers regularly with BlackRock's equity and credit analysts and portfolio managers to exchange insights on material ESG topics.

Quantitative Metrics Related to BlackRock Investment Stewardship Activities

Below we provide quantitative information about BIS' engagement and voting activities for the proxy voting reporting year (12-month period ended June 30, 2019). The engagement statistics reflect only meetings by BIS on stewardship issues and do not include letters, email communications, meetings by BlackRock active portfolio managers, or other forms of engagement. See BIS' 2019 Annual Engagement and Voting Statistics Report for additional details on BIS' voting and engagement activities.

BIS Engagement Statistics

Indicator	Quantitative Metric
Stewardship Team Size	45
Total Engagements[a]	2,050
Total Companies Engaged	1,458
Markets in Which BIS Engaged Companies	42
% of Equity AUM Engaged	50%

BIS Voting Statistics

Indicator	Quantitative Metric
Meetings Voted	16,124
Proposals Voted	155,131
% of Meetings Voted Against One or More Management Recommendations	39%
% of Proposals Voted Against Management Recommendation	8%

Data is for the 12-month period ended June 30, 2019.

a) BIS defines engagements as substantive meetings with representatives of a company. The engagement statistics reflect only meetings by BIS on stewardship issues and do not include letters, email communications, meetings by BlackRock active portfolio managers, or other forms of engagement.

Business Ethics

BlackRock's reputation for integrity is one of our most important assets. We hold ourselves to standards that not only meet those required by applicable laws and regulations, but also uphold our principles, which are rooted in exceeding our clients' expectations. Our Code of Business Conduct and Ethics sets out basic principles to guide employee conduct. The Code is supported by employee conduct policies and programs, and reinforced through employee training.

FN-AC-510a.1

Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, and anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations

BlackRock did not sustain any monetary losses in the reporting period as a result of legal proceedings associated with the conduct as described above.

BlackRock discloses all material legal and regulatory proceedings in its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

FN-AC-510a.2

Description of whistleblower policies and procedures

Every BlackRock employee is required to report any illegal or unethical conduct about which they become aware, including those concerning accounting or auditing matters and violations of BlackRock policies, pursuant to BlackRock's Code. Employees may report concerns to a Managing Director on BlackRock's Legal & Compliance team directly or by contacting the Business Integrity Hotline.

BlackRock also maintains a Global Policy for Reporting Illegal or Unethical Conduct, which establishes the framework by which an employee or any third party may report a concern. BlackRock makes available a Business Integrity Hotline and reporting website, which is administered on behalf of BlackRock by an independent external third party. BlackRock's Code of Business Conduct and Ethics provides an overview of the Global Policy for Reporting Illegal or Unethical Conduct.

Every year, our employees complete a mandatory compliance training that includes the Code of Business Conduct and Ethics as well as the Global Policy for Reporting Illegal and Unethical Conduct.

Risk Management

An integral part of BlackRock's identity is the core belief that rigorous risk management is critical to the delivery of high-quality asset management services. BlackRock's Risk & Quantitative Analysis Group ("RQA") provides independent top-down and bottom-up oversight to help identify investment, counterparty, operational, regulatory, and technology risks.

FN-AC-550a.1

Percentage of open-end fund assets under management by category of liquidity classification

We are omitting a response to this question. In accordance with SASB Standards Application Guidance (Section 2.2 Omissions and Modifications), we are disclosing our rationale for omission.

In 2018, the Securities and Exchange Commission ("SEC") voted to adopt "Investment Company Liquidity Disclosure",[1] a final rule amending Rule 22e-4 ("Investment Company Liquidity Risk Management Program Rules"). In accordance with the Investment Company Liquidity Disclosure rule, the SEC rescinded the requirement that open-end mutual funds registered under the Investment Company Act of 1940 publicly disclose aggregate liquidity classification information at the fund level. The SEC explained that "the subjectivity of the [Rule 22e-4] classification process when applied to this public disclosure concerns us for several specific reasons."[2] The reasons given by the SEC included, among others, that the data "may pose a significant risk of confusing and misleading investors."[3]

Further, as a fiduciary asset manager, liquidity is managed at the fund level and the assets of one open-end fund cannot be used to meet the redemptions of other funds, as each fund is a separate legal entity. Aggregate liquidity classifications across funds would not provide meaningful insight as to how liquidity is managed at the fund level. Accordingly, we are omitting a response to this item.

FN-AC-550a.2

Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management

Fund liquidity risk is one of the many investment risks subject to rigorous oversight at BlackRock. Fund liquidity risk is the risk that assets in an investment fund will be forced to be liquidated or traded at below market prices or outside a reasonable time frame, or where redemptions will adversely impact remaining investors in the investment fund. Funds need to have adequate liquidity to meet redemptions, collateral calls, and investment objectives, even under stress conditions. Adequate liquidity means that the speed, size, and cost of executing trades does not impact the ability of the fund to meet investment objectives or redemptions beyond reasonable transaction cost expectations.

Portfolio managers are primarily responsible for managing liquidity risk within their respective portfolios. In addition, RQA conducts liquidity analysis on a fund-by-fund basis as part of its independent risk oversight function. RQA analyzes liquidity risk analytics, discusses the analysis with portfolio management teams, and communicates the analysis to senior management, where appropriate. Further, BlackRock has developed models that help portfolio managers evaluate the probability of elevated outflows, which are analyzed alongside many other factors to evaluate potential redemption risks in BlackRock-managed funds.

RQA maintains a Liquidity Risk Management Framework ("the Liquidity Framework") to help flag funds where there could be insufficient liquidity to

1. SEC, "Investment Company Liquidity Disclosure", 83 Fed. Reg. 31859 (Ju1. 10, 2018) available at: https://www.govinfo.gov/content/pkg/FR-2018-07-10/pdf/2018-14366.pdf.
2. See previous footnote at 31861.
3. See previous footnote.

meet redemptions under certain market scenarios. Through the Liquidity Framework, RQA monitors a set of liquidity metrics across BlackRock's fund complexes. Potential liquidity issues or events are raised to senior risk managers, the Chief Risk Officer, senior investors, and business leads, as appropriate.

In addition, many of BlackRock's open-end investment funds have additional mechanisms to meet redemptions and prevent investor dilution. Examples of these mechanisms are discussed below:

(i) Redemptions In-Kind

Certain investment funds managed by BlackRock can meet redemptions in-kind where such redemptions are permitted under applicable regulation and operationally feasible.

(ii) Swing Pricing

Certain investment funds managed by BlackRock can employ swing pricing where permitted under applicable regulation and operationally feasible. For example, BlackRock's single-priced Luxembourg-domiciled UCITS funds employ swing pricing. Swing thresholds and swing factors for these funds are set by BlackRock's Swing Pricing Committee.

(iii) Credit Facilities for Short-Term Borrowing

BlackRock has established credit facilities for certain of its open-end mutual fund ranges to provide temporary borrowing. The credit agreements that establish the credit facilities are between the funds and the banks providing the credit facilities, and therefore are obligations of the funds, not BlackRock.

FN-AC-550a.3

Total exposure to securities financing transactions

BlackRock, Inc. and its subsidiaries do not engage in securities financing transactions as a principal.[4] Certain clients and BlackRock-managed funds have appointed BlackRock as their securities lending agent. In these instances, BlackRock is the agent and not the principal on the securities loans.

Separate from its role as securities lending agent, BlackRock provides borrower default indemnification to certain of its securities lending clients. BlackRock's exposure from borrower default indemnification is limited to the shortfall that occurs in the event the collateral available at the time of the borrower's default is insufficient to repurchase those securities out on loan. In the event of a borrower default, BlackRock would use the collateral pledged by the borrower to repurchase securities out on loan in order to replace them in a client's account. Securities on loan are marked to market daily to determine if the borrower is required to pledge additional collateral. Where the collateral is in the form of cash, the indemnities BlackRock provides do not guarantee, assume or otherwise insure the investment performance or return of any cash collateral vehicle into which that cash collateral is invested.

The amount of securities on loan as of December 31, 2018 and subject to this type of indemnification was $201 billion. In BlackRock's capacity as lending agent, cash and securities totaling $214 billion were held as collateral for indemnified securities on loan as of December 31, 2018. The fair value of these indemnifications was not material at December 31, 2018.

BlackRock (including its predecessor entities) has never had its indemnification agreements triggered or had to use its own monies to repurchase a security on a lending client's behalf. See BlackRock's 2018 Annual Report and 10-K for more information about BlackRock's Securities Lending program.

4. Note that in the case of accounts maintained by BlackRock Life Limited ("BLL"), a wholly owned subsidiary of BlackRock that is a registered life insurance company in the United Kingdom, BLL acts as principal in securities lending transactions. Securities held by BLL for the benefit of its clients are lent by BLL on behalf of its clients.

Note that our response to this question refers to the exposures of BlackRock, Inc. and its subsidiaries and does not refer to transactions conducted on behalf of our clients' portfolios or collective investment vehicles managed by BlackRock.

FN-AC-550a.4

Net exposure to written credit derivatives

See Note 8, *Derivatives and Hedging*, in financial statements on BlackRock's 2018 Annual Report and 10-K for information on BlackRock's derivatives.

At both December 31, 2018 and 2017, the Company had a derivative providing credit protection of approximately $17 million to a counterparty, representing the Company's maximum risk of loss with respect to the provision of credit protection. The Company carries the derivative at fair value based on the expected discounted future cash outflows under the arrangement.

Note that this response refers to the exposures of BlackRock, Inc. and its subsidiaries and does not refer to transactions conducted on behalf of BlackRock's clients' portfolios, which may have net exposure to written credit derivatives.

Disclosures

This report contains information about BlackRock and may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act. All statements, other than statements of historical facts, may be forward-looking statements.

BlackRock cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and BlackRock assumes no duty to and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

Factors that can cause results to differ, as well as additional factors that can affect forward-looking statements, are discussed in BlackRock's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, accessible on the SEC's website at www.sec.gov and on BlackRock's website at www.blackrock.com.