



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p>	<p><b>Reason for Interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional or more comprehensive data</li> <li><input type="checkbox"/> To engage internal ESG disclosure</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>	<p><b>Type of engagement</b></p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p><b>Reason for Interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional or more comprehensive data</li> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> To engage internal ESG disclosure</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> </ul>
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# RI TRANSPARENCY REPORT

## 2019

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 2019 reporting cycle. 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. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		-	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Public							✓
OO 08	Segregated mandates or pooled funds	✓	Public							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	✓	Public							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	⚡	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	✓	Public							✓
OO PE 01	Breakdown of private equity investments by strategy	✓	Public							✓
OO PE 02	Typical level of ownership in private equity investments	✓	Public							✓
OO PR 01	Breakdown of property investments	✓	Public							✓
OO PR 02	Breakdown of property assets by management	✓	Public							✓
OO PR 03	Largest property types	✓	Public							✓
OO INF 01	Breakdown of infrastructure investments	✓	Public							✓
OO INF 02	Breakdown of infrastructure assets by management	✓	Public							✓
OO INF 03	Largest infrastructure sectors	✓	Public							✓
OO HF 01	Breakdown of hedge funds investments by strategies	✓	Public							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	🔒	n/a							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	🔒	n/a							✓
SG 08	RI in performance management, reward and/or personal development	✓	Public							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Public	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 14 CC		🔒	n/a							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	🔒	n/a		✓					
SAM 04	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	🔒	n/a	✓						
SAM 07	Percentage of (proxy) votes	🔒	n/a		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓						✓
SAM End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Public	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 07	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 11	ESG issues in index construction	✓	Public	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 13	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 10	Engagement methods	✓	Public		✓					
LEA 11	Examples of ESG engagements	✓	Public		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	✓	Public		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	✓	Public		✓					
LEA 21	Examples of (proxy) voting activities	✓	Public		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Public	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Examples of ESG factors in screening process	✓	Public	✓						
FI 06	Screening - ensuring criteria are met	✓	Public	✓						
FI 07	Thematic investing - overview	✓	Public	✓						
FI 08	Thematic investing - themed bond processes	✓	Public	✓						
FI 09	Thematic investing - assessing impact	✓	Public	✓						
FI 10	Integration overview	✓	Public	✓						
FI 11	Integration - ESG information in investment processes	✓	Public	✓						
FI 12	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 13	ESG incorporation in passive funds	✓	Public	✓						
FI 14	Engagement overview and coverage	✓	Public		✓					
FI 15	Engagement method	✓	Public	✓	✓					
FI 16	Engagement policy disclosure	✓	Public	✓	✓					
FI 17	Financial/ESG performance	✓	Public							✓
FI 18	Examples - ESG incorporation or engagement	-	n/a	✓	✓					
FI End	Module confirmation page	✓	-							



Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Description of approach to RI	✓	Public	✓					✓	
PE 02	Investment guidelines and RI	✓	Public		✓					
PE 03	Fund placement documents and RI	✓	Public	✓			✓		✓	
PE 04	Formal commitments to RI	✓	Public				✓			
PE 05	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 06	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PE 07	Encouraging improvements in investees	✓	Public	✓	✓					
PE 08	ESG issues impact in selection process	✓	Public	✓						
PE 09	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 10	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 11	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Public		✓					
PE 12	Type and frequency of reports received from portfolio companies	✓	Public		✓	✓				
PE 13	Disclosure of ESG issues in pre-exit	✓	Public		✓					
PE 14	ESG issues affected financial/ESG performance	-	n/a	✓	✓					
PE 15	Examples of ESG issues that affected your PE investments	✓	Public	✓	✓					
PE 16	Approach to disclosing ESG incidents	✓	Public						✓	
PE End	Module confirmation page	✓	-							

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 02	Fund placement documents and RI	✓	Public	✓			✓		✓	
PR 03	Formal commitments to RI	✓	Public				✓			
PR 04	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 05	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PR 06	ESG issues impact in selection process	✓	Public	✓						
PR 07	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 08	ESG issues in post-investment activities	✓	Public		✓					
PR 09	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 10	Certification schemes, ratings and benchmarks	✓	Public		✓					
PR 11	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 12	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 13	Proportion of green leases or MOUs referencing ESG issues	✓	Public		✓					
PR 14	Proportion of assets engaged with on community issues	✓	Public		✓					
PR 15	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
PR 16	Examples of ESG issues that affected your property investments	✓	Public	✓		✓				
PR End	Module confirmation page	-	n/a							

Direct - Infrastructure				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
INF 01	Description of approach to RI	✓	Public	✓					✓	
INF 02	Responsible investment policy for infrastructure	✓	Public	✓					✓	
INF 03	Fund placement documents and RI	✓	Public	✓			✓		✓	
INF 04	Formal commitments to RI	✓	Public				✓			
INF 05	Incorporating ESG issues when selecting investments	✓	Public	✓						
INF 06	ESG advice and research when selecting investments	✓	Public	✓			✓			
INF 07	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
INF 08	Types of ESG information considered in investment selection	✓	Public	✓		✓				
INF 09	ESG issues impact in selection process	✓	Public	✓						
INF 10	ESG issues in selection, appointment and monitoring of third-party operators	✓	Public				✓			
INF 11	ESG issues in post-investment activities	✓	Public		✓					
INF 12	Proportion of assets with ESG performance targets	✓	Public		✓					
INF 13	Proportion of portfolio companies with ESG/sustainability policy	✓	Public		✓					
INF 14	Type and frequency of reports received from investees	✓	Public		✓	✓				
INF 15	Proportion of maintenance projects where ESG issues were considered	✓	Public		✓					
INF 16	Proportion of stakeholders that were engaged with on ESG issues	✓	Public		✓					
INF 17	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
INF 18	Examples of ESG issues that affected your infrastructure investments	✓	Public	✓		✓				
INF 19	Approach to disclosing ESG incidents	✓	Public						✓	
INF End	Module confirmation page	✓	-							

Direct - Hedge Funds				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
HF 01	Rationale for adopting a RI policy	✓	Public							✓
HF 02	Normative codes/initiatives in the Hedge Fund industry	✓	Public				✓	✓		
HF 03	Organisation of RI responsibilities	✓	Public							✓
HF 04	RI training programme	✓	Public							✓
HF 05	Performance/remuneration metrics linked to RI incorporation	✓	Public	✓						
HF 06	ESG data, research and other resources used	✓	Public							✓
HF 07	ESG incorporation into quantitative and fundamental analysis	✓	Public	✓	✓					
HF 08	Changes to the RI incorporation process over the past 12 months	✓	Public	✓						✓
HF 09	Integration of Active Ownership	✓	Public	✓	✓					
HF 10	Examples of ESG risks/opportunities in investment decisions	✓	Public	✓	✓					
HF 11	Derivatives products and ESG impact	✓	Public							✓
HF 12	Long/short exposure and reporting	✓	Public	✓	✓					
HF 13	Metrics/KPI for RI progress	✓	Public	✓	✓					
HF 14	Exposure to climate risk	✓	Public							✓
HF 15	Reports to investors	✓	Public		✓					✓
HF End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM 01	Assurance, verification, or review	✓	n/a							✓
CM 02	Assurance of last year's PRI data	✓	n/a							✓
CM 03	Other confidence building measures	✓	n/a							✓
CM 04	Assurance of this year's PRI data	✓	n/a							✓
CM 05	External assurance	🔒	n/a							✓
CM 06	Assurance or internal audit	🔒	n/a							✓
CM 07	Internal verification	✓	n/a							✓
CM 01 End	Module confirmation page	✓	n/a							

# BlackRock

## Reported Information

### Public version

### Organisational Overview

## 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.

## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

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, 2018, BlackRock's AUM was \$5.9 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, 2018, the firm had approximately 14,000 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](http://www.blackrock.com).

OO 02

Mandatory

Public

Peering

General

**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).

FTE

14425

**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.

<b>OO 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

<b>OO 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Peering</b>	<b>General</b>
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**OO 04.1** Indicate the year end date for your reporting year.

31/12/2018

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

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM	5	975	818	464	619
Currency	USD				
Assets in USD	5	975	818	464	619

Not applicable as we are in the fund-raising process

**OO 04.4**

Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.

	trillions	billions	millions	thousands	hundreds
Total AUM		1	760	000	000
Currency	USD				
Assets in USD		1	760	000	000

Not applicable as we do not have any assets under execution and/or advisory approach

**OO 06**

**Mandatory**

**Public**

**Descriptive**

**General**

**OO 06.1**

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

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	30.53	1
Fixed income	49.8	1
Private equity	0.07	0.15
Property	0.34	0
Infrastructure	0.24	0
Commodities	0.47	0
Hedge funds	0.49	0
Fund of hedge funds	0	0.37
Forestry	0	0



Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	7.51	0
Other (1), specify	7	1.03
Other (2), specify	0	0

'Other (1)' specified

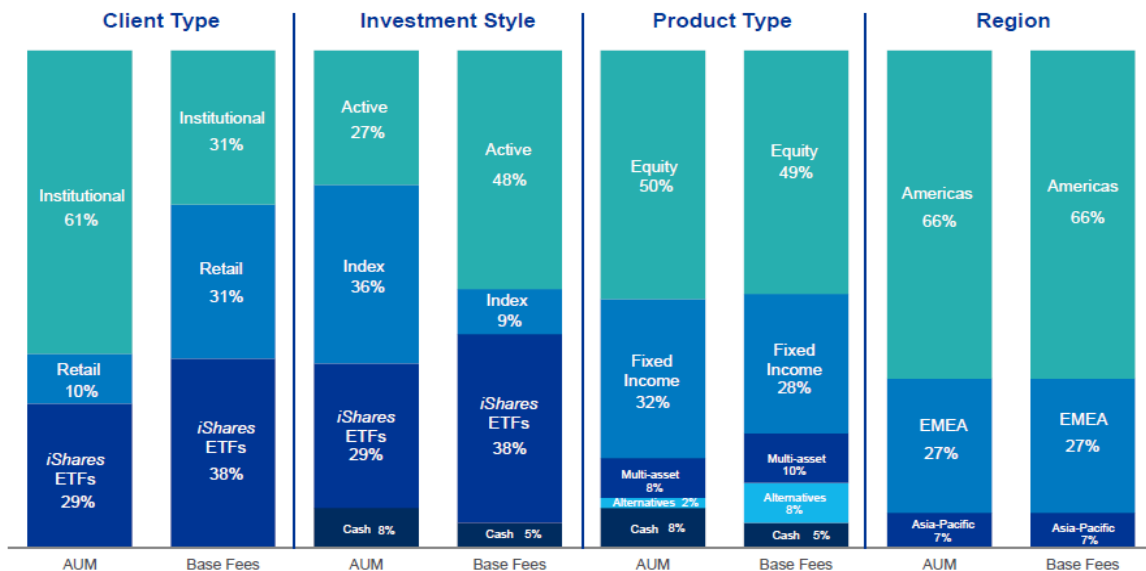
Other includes multi-asset, other alternatives (solutions, opportunistic, currency) and advisory

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 \$5.98 trillion at December 31, 2018  
Q4 2018 Total Base Fees of \$2.779 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, and our BlackRock Alternative Advisors businesses as externally managed.

<b>OO 07</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**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.

<b>Internally managed</b>	SSA	50
	Corporate (financial)	11
	Corporate (non-financial)	28
	Securitised	11
	Total	100%
	<b>Externally managed</b>	SSA
Corporate (financial)	11	
Corporate (non-financial)	28	
Securitised	11	
Total	100%	

<b>OO 08</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Peering</b>	<b>General</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>OO 08.1</b>	Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds or investments.
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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 %	<b>100%</b>
[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 %	<b>100%</b>
[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 %	<b>100%</b>
[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 %	<b>100%</b>
[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 %	<b>100%</b>
[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 %	<b>100%</b>
[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 %	<b>100%</b>
[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 %	<b>100%</b>

<b>OO 08.2</b>	Additional information. [Optional]
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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, and our BlackRock Alternative Advisors businesses as externally managed.

<b>OO 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Peering</b>	<b>General</b>
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<b>OO 09.1</b>	Indicate the breakdown of your organisation’s AUM by market.
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	Developed Markets
94.91	
	Emerging Markets
2.07	
	Frontier Markets
0.57	
	Other Markets
2.45	
	Total 100%
100%	

<b>Asset class implementation gateway indicators</b>				
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<b>OO 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 10.1</b>	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

Public

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

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

#### Hedge funds

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

#### Money market instruments

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

Other (1)

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

'Other (1)' [as defined in OO 05]

Other includes multi-asset, other alternatives (solutions, opportunistic, 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	<p data-bbox="564 342 1474 423">Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 439 1289 465"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 481 1326 508"><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 524 1305 551"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 566 940 593"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - SSA	<p data-bbox="564 656 1474 736">Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 752 1289 779"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 795 1326 822"><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 837 1305 864"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 880 940 907"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - corporate (financial)	<p data-bbox="564 969 1474 1072">Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 1088 1289 1115"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 1131 1326 1158"><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 1173 1305 1200"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 1216 940 1243"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - corporate (non-financial)	<p data-bbox="564 1305 1474 1408">Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 1424 1289 1451"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 1467 1326 1494"><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 1509 1305 1536"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 1552 940 1579"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - securitised	<p data-bbox="564 1641 1474 1722">Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 1738 1289 1765"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 1780 1326 1807"><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 1823 1305 1850"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 1865 940 1892"><input type="checkbox"/> We do not do ESG incorporation</p>
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>
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 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 co-investments; further, BAA regularly monitors portfolios comprised of co-investments for potential exposure to various risks, inclusive of material ESG-related exposures.

OO 12	Mandatory	Public	Gateway	General
<b>OO 12.1</b>	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

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised

Direct - Other asset classes with dedicated modules

- Private Equity
- Property
- Infrastructure
- Hedge Funds and/or Fund of Hedge Funds

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private Equity

Closing module

- 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, and our BlackRock Alternative Advisors businesses as externally managed.

Peering questions

OO LE 01	Mandatory	Public	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.
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Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

**Percentage of internally managed listed equities**

Strategies	Percentage of internally managed listed equities
Passive	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Active - quantitative (quant)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Active - fundamental and active - other	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Total 100%	

OO LE 02	Mandatory to Report Voluntary to Disclose	Public	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.
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**Report on strategy**

All active strategies
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- Yes
- No

OO FI 01	Mandatory	Public	Gateway	General
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Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies
------------	---

Type	Passive	Active - quantitative	Active - fundamental & others	Total internally managed fixed income security
SSA	<input checked="" type="radio"/> >50% <input 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%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>
Corporate (financial)	<input checked="" type="radio"/> >50% <input 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%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>
Corporate (non-financial)	<input checked="" type="radio"/> >50% <input 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%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>
Securitised	<input checked="" type="radio"/> >50% <input 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%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>

**OO FI 01.2** 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.

<b>OO FI 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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Update: this indicator has changed from "*Mandatory to report, voluntary to disclose*" to "*Mandatory*". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

**OO FI 03.1** Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.

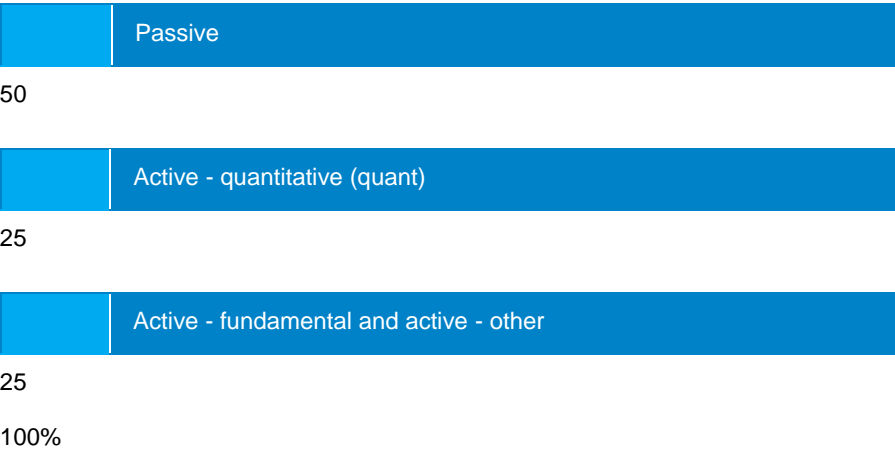
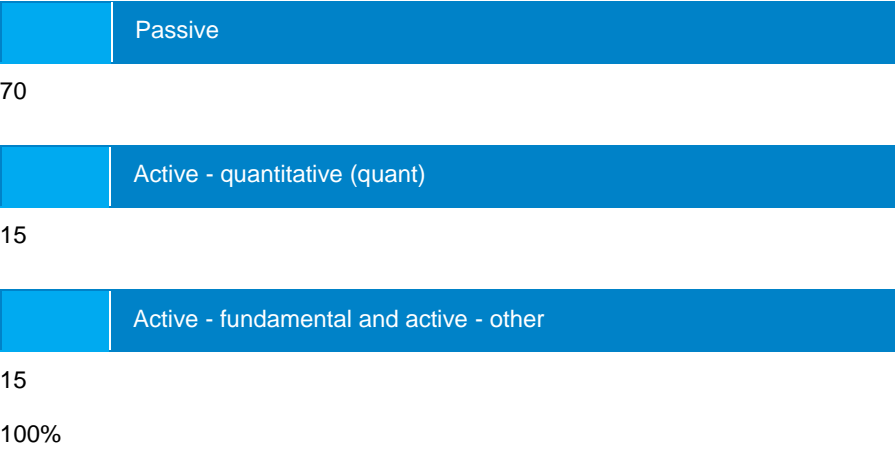
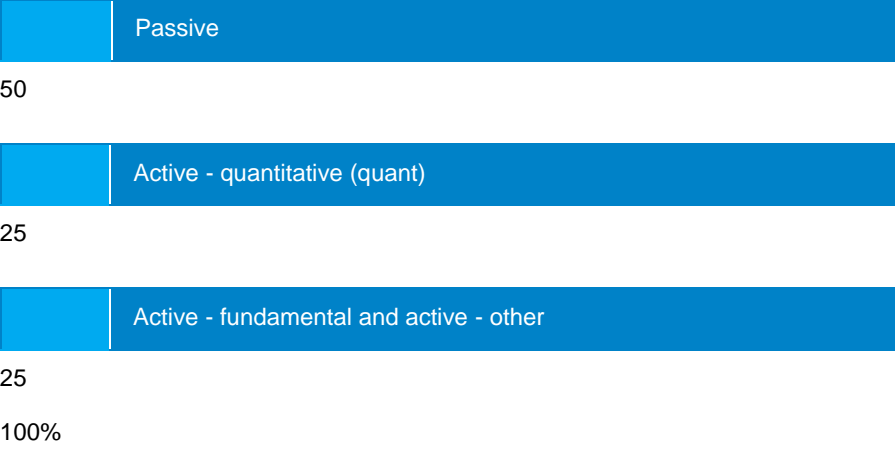
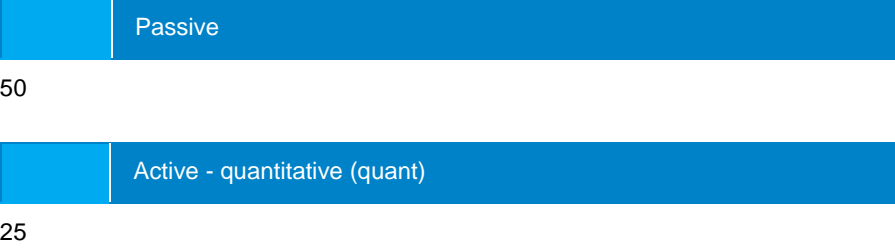
SSA	Developed markets	60
	Emerging markets	40
	Total	100%

**OO FI 03.2** Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

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%	<b>100%</b>
Corporate (non-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%	<b>100%</b>
Securitised	<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%	<b>100%</b>

<b>OO SAM 01</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**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)	 <p>50</p> <p>25</p> <p>25</p> <p>100%</p>
Fixed income - SSA	 <p>70</p> <p>15</p> <p>15</p> <p>100%</p>
Fixed income - Corporate (financial)	 <p>50</p> <p>25</p> <p>25</p> <p>100%</p>
Fixed income - Corporate (non-financial)	 <p>50</p> <p>25</p>



	<div style="background-color: #0070C0; color: white; padding: 2px;">Active - fundamental and active - other</div> 25 100%
Fixed income - Securitised	<div style="background-color: #0070C0; color: white; padding: 2px;">Passive</div> 50  <div style="background-color: #0070C0; color: white; padding: 2px;">Active - quantitative (quant)</div> 25  <div style="background-color: #0070C0; color: white; padding: 2px;">Active - fundamental and active - other</div> 25 100%

<b>OO SAM 01.2</b>	Additional information [Optional].
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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 advisory, private equity fund of fund, and hedge fund fund of fund business 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.

<b>OO PE 01</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>OO PE 01.1</b>	Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.
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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]
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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 19 years investing across primary funds, secondaries and direct co-investments.

The PEP platform comprises 151 professionals (as of 10 January 2019) 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	Public	Descriptive	General
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OO PE 02.1	Indicate the level of ownership you typically hold in your private equity investments.
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- 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]
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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	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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**OO PR  
01.1**

Indicate the level of ownership you typically hold in your property investments.

- a majority stake (>50%)
- a 50% stake
- a significant minority stake (between 10-50%)
- 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

- >50%
- 10 – 50%
- <10%
- 0%

**OO PR  
01.3**

Additional information. [Optional]

The REIT percentage is the % of total firm AUM.

**OO PR 02**

**Mandatory to Report Voluntary to Disclose**

**Public**

**Gateway**

**General**

**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="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Managed via third-party property managers appointed by you	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors or their property managers	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Managed by tenant(s) with operational control	<input type="radio"/> > 50% <input checked="" type="radio"/> 10-50% <input type="radio"/> < 10% <input type="radio"/> 0%
Total 100%	

OO PR 03	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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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="radio"/> Industrial <input type="radio"/> Retail <input checked="" type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Second largest property type	<input checked="" type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> 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

OO INF 01	Mandatory to Report Voluntary to Disclose	Public	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	Public	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.

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%

<b>OO INF 02.2</b>	Additional information. [Optional]
--------------------	------------------------------------

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.

<b>OO INF 03</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>OO INF 03.1</b>	Indicate up to three of your largest infrastructure sectors by AUM.
--------------------	---

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 Power infrastructure, includes renewables
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	Public	Descriptive	General
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OO HF 01.1	Please describe your hedge fund strategies and classification
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	Options presented for hedge funds
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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)		

# BlackRock

## Reported Information

### Public version

### Strategy and Governance

## 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.

## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

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.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input 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 type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) <b>Investment-team-specific ESG statements</b> <input type="checkbox"/> Other, specify(2)	<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

**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. The BlackRock Real Assets Sustainable Investing Policy attached is one such example.

No

<b>SG 01.6</b>	Additional information [Optional].
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**Investment Stewardship**

We believe that companies with sound corporate governance practices, including how they manage the environmental and social aspects of their operations, better mitigate risk over the long term, and offer better risk-adjusted returns. 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, 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.

I confirm I have read and understood the Accountability tab for SG 01
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I confirm I have read and understood the Accountability tab for SG 01

<b>SG 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**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

URL

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

- Attachment (will be made public)

Attachment

[File 1:BlackRock ESG Statement 2018.pdf](#)

- Formalised guidelines on corporate governance factors
- Fiduciary (or equivalent) duties

URL/Attachment

- URL

URL

<https://www.blackrock.com/corporate/responsibility>

- Attachment (will be made public)
- Asset class-specific RI guidelines

URL/Attachment

- URL

- Attachment (will be made public)

Attachment

[File 1:BlackRock Real Assets Sustainable Investing Policy June 2018.pdf](#)

- Engagement policy

URL/Attachment

- URL

URL

<https://www.blackrock.com/corporate/about-us/investment-stewardship#guidelines>

- Attachment (will be made public)
- (Proxy) voting policy

URL/Attachment

- URL

URL

<https://www.blackrock.com/corporate/about-us/investment-stewardship#guidelines>

- Attachment (will be made public)
- Other, specify (1)
- 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

- URL

URL

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

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

URL/Attachment

- URL

URL

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

- Attachment
- Time horizon of your investment



URL/Attachment

URL

URL

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

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

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

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

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

Attachment

Active ownership approaches

URL/Attachment

URL

URL

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

Attachment

Understanding and incorporating client / beneficiary sustainability preferences

URL/Attachment

URL

URL

<https://www.blackrock.com/us/individual/investment-ideas/sustainable-investing>

Attachment

We do not publicly disclose any investment policy components

<b>SG 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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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

<b>SG 04</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**SG 04.1** Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.

Yes

No

<b>SG 04.2</b>	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.

## Objectives and strategies

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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<b>SG 05.1</b>	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
----------------	---

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

<b>SG 06</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 06.1</b>	List the main responsible investment objectives that your organisation set for the reporting year.
----------------	--

	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

Investment teams have created ESG investment statements and presentation materials to explain their respective ESG integration approaches. The BlackRock Sustainable Investment team regularly hosts internal update meetings on ESG integration and sustainable investing activities, and provides updates infrequent email newsletters.

- 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.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Other activities

- 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.

- 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.

- 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

- 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

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

## Governance and human resources

SG 07

Mandatory

Public

Core Assessed

General

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

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
  - Global Head of Sustainable Investing**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - 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)

**Sustainable Investing Chief Investment Officer**

- 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

<b>SG 07.2</b>	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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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 Chief Investment Officer (CIO) of BSI is responsible for implementing the firm's sustainable investment policies and ensuring consistency and quality in the firm's sustainable investment solutions. The CIO 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 BIS 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. An ESG and Policy Steering Committee, chaired by the firm's Chief Operating Officer, coordinates cross-departmental initiatives and priorities, including sustainable investment association memberships.

<b>SG 07.3</b>	Indicate the number of dedicated responsible investment staff your organisation has.
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	Number
--	--------

73

<b>SG 07.4</b>	Additional information. [Optional]
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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 BlackRock Real Assets Sustainable Investing
- Head of Emerging Market Debt Sustainable Investing
- Global Head of BlackRock Investment Stewardship

I confirm I have read and understood the Accountability tab for SG 07

I confirm I have read and understood the Accountability tab for SG 07

SG 08	Voluntary	Public	Additional Assessed	General
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**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

Global Head of Sustainable Investing

**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

- 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

Dedicated responsible investment staff

**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 role (1) [from SG 07]

BlackRock Sustainable Investing CIO

**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 role (2) [from SG 07]

Head Responsible Investment Fixed Income

**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

**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

## Promoting responsible investment

SG 09

Mandatory

Public

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.

### Select all that apply

- Principles for Responsible Investment

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

- Basic  
 Moderate  
 Advanced

- Asian Corporate Governance Association

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

- Basic  
 Moderate  
 Advanced

- Australian Council of Superannuation Investors  
 AFIC – La Commission ESG  
 BVCA – Responsible Investment Advisory Board  
 CDP Climate Change

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

- Basic  
 Moderate  
 Advanced  
 CDP Forests



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

- Basic
- Moderate
- Advanced

Green Bond Principles

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

- Basic
- Moderate
- Advanced

Institutional Investors Group on Climate Change (IIGCC)

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

- Basic
- Moderate
- Advanced

Interfaith Center on Corporate Responsibility (ICCR)

International Corporate Governance Network (ICGN)

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

- Basic
- Moderate
- Advanced

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

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

- Basic
- Moderate
- Advanced

International Integrated Reporting Council (IIRC)

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

- Basic
- Moderate
- 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)

- Basic
- Moderate
- Advanced
- Local Authority Pension Fund Forum
- 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
- Moderate
- Advanced
- 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)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

BlackRock is a member of the Board that is the Sustainability Accounting Standards Board. In addition, BlackRock serves as a member of the Investor Advisory Group.

- 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)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

BlackRock is a 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	Public	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	Public	Core Assessed	PRI 4
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**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- 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.

- 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
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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

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

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

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

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

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

Our clients are often interested in learning our advice on 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](http://www.blackrock.com). In the recent year, BlackRock commented on the European Securities and Markets Authority (ESMA) Consultation on integrating sustainability risks and factors in MiFID II, ESMA's Consultation on Integrating sustainability risks and factors in the UCITS Directive and AIFMD, World Economic Forum Sustainable Development Impact Summit, and the Financial Reporting Council's proposed revisions to the UK Corporate Governance Code.

#### 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
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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
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- 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 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 (TACG)
- 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

<b>SG 11</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 4,5,6</b>
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<b>SG 11.1</b>	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
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- Yes, individually
- Yes, in collaboration with others

<b>SG 11.2</b>	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

<b>SG 11.3</b>	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
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Yes, publicly available

provide URL

<https://www.blackrock.com/corporate/insights/public-policy/viewpoints-letters-consultations#letters-and-consultations>

No

No

**SG 11.4** Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

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.

Relevant topics recently discussed with policymakers and agency representatives include ESG integration, the adoption of stewardship codes, multiple classes of shares, and corporate ESG disclosure.

### Outsourcing to fiduciary managers and investment consultants

**SG 12** Mandatory Public Core Assessed PRI 4

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 12.1** Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

### ESG issues in asset allocation

**SG 13** Mandatory Public Descriptive PRI 1

**SG 13.1** Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors

Describe

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.

- Yes, to assess future climate-related risks and opportunities

Describe

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.

- No, not to assess future ESG/climate-related issues

**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

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 14	Mandatory to Report Voluntary to Disclose	Public	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.

	trillions	billions	millions	thousands	hundreds
Total AUM		495	449	147	737
Currency	USD				
Assets in USD		495	449	147	737

Specify the framework or taxonomy used.

As of December 2018, BlackRock manages \$495.4b in sustainably focused assets across ESG - focused, Impact - focused, and other negative or exclusionary screened products. Our systems do not track which of these is focused exclusively on carbon or climate resilience.

- 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

- 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.

Disclosure of material climate-related information by public issuers is one of our Investment Stewardship team's key priorities for engagement. BlackRock's Investment Stewardship team conducted engagements with oil, gas, and utility companies to emphasize the need for increased reporting around climate-related risks. In 2018, the team engaged on letters it sent to CEOs and general counsels of approximately 120 of the most carbon-intensive companies globally in BlackRock's aggregate equity portfolio. These are companies that we consider to have material climate risk. We have asked them to closely review in full the TCFD recommendations and to consider reporting in alignment with the framework. In addition, we encourage companies to engage with us regarding the changes in reporting that might be necessary for the company to achieve alignment with TCFD recommendations and any anticipated obstacles.

<b>SG 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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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.

Yes

**SG 15.2**

Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

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.

Area

Energy efficiency / Clean technology

Asset class invested

Listed equity

% of AUM

0.01

Fixed income - SSA

% of AUM

0.01

Fixed income - Corporate (financial)

% of AUM

0.01

Fixed income - Corporate (non-financial)

% of AUM

0.01

Fixed income - Securitised

Private equity

Property

Infrastructure

% of AUM

.01

Commodities

Hedge funds

Other (1)

#### Brief description and measures of investment

- 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

Green buildings

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

0.01

- Fixed income - Corporate (financial)

% of AUM

0.01

- Fixed income - Corporate (non-financial)

% of AUM

0.01

- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Commodities
- Hedge funds
- Other (1)

Brief description and measures of investment

Our systems do not track assets in a manner called for by the items above. Therefore, our response represents a good faith estimate but may not ultimately be accurate.

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.

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

Asset class invested

Listed equity

% of AUM

0.01

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Commodities
- Hedge funds
- Other (1)

Brief description and measures of investment

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.

- 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

Listed equity

% of AUM

0.01

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Commodities
- Hedge funds
- Other (1)

Brief description and measures of investment

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.

**Listed Equity:**

- 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

No

Asset class implementation not reported in other modules

SG 16	Mandatory	Public	Descriptive	General
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<b>SG 16.1</b>	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.
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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	Public	Descriptive	General
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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.
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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: 5px; text-align: center;">Select whether you use the PRI Hedge Fund DDQ</div> <input checked="" type="radio"/> Yes <input type="radio"/> No
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 co-investments; 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]	Please refer to our Selection and Monitoring report for more detail on our ESG integration activities into our advisory business.

<b>SG 17.2</b>	Additional information.
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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, and our BlackRock Alternative Advisors businesses as externally managed.

**Innovation**

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

## Communication

SG 19

Mandatory

Public

Core Assessed

PRI 2, 6

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.

**Caution! The order in which asset classes are presented below has been updated in the online tool to match the Reporting Framework overview.**

If you are transferring data from an offline document, please check your response carefully.

### 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



<b>Disclosure to clients/beneficiaries</b>	
	<p><b>Disclosure to clients/beneficiaries</b></p> <p><input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes</p> <p><input type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf</p> <p><input type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership</p> <p><input type="checkbox"/> Other</p>
	<p><b>Frequency</b></p> <p><input type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input checked="" type="checkbox"/> Ad-hoc/when requested</p>

**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

<b>Disclosure to clients/beneficiaries</b>	
	<p><b>Disclosure to clients/beneficiaries</b></p> <p><input type="radio"/> Broad approach to ESG incorporation</p> <p><input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used</p>
	<p><b>Frequency</b></p> <p><input type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input checked="" type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad-hoc/when requested</p>

**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 data-bbox="256 304 927 367"><b>Disclosure to public and URL</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Details on the overall engagement strategy</li> <li><input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals</li> <li><input checked="" type="checkbox"/> Number of engagements undertaken</li> <li><input checked="" type="checkbox"/> Breakdown of engagements by type/topic</li> <li><input checked="" type="checkbox"/> Breakdown of engagements by region</li> <li><input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives</li> <li><input checked="" type="checkbox"/> Examples of engagement cases</li> <li><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.)</li> <li><input type="checkbox"/> Details on whether the provided information has been externally assured</li> <li><input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement</li> <li><input checked="" type="checkbox"/> Other information</li> </ul> <p data-bbox="256 994 927 1048">Responses to public consultations, statements on stewardship codes, and versions of letters to companies</p>	<p data-bbox="959 304 1449 367"><b>Disclosure to clients/beneficiaries</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Details on the overall engagement strategy</li> <li><input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals</li> <li><input checked="" type="checkbox"/> Number of engagements undertaken</li> <li><input checked="" type="checkbox"/> Breakdown of engagements by type/topic</li> <li><input checked="" type="checkbox"/> Breakdown of engagements by region</li> <li><input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives</li> <li><input checked="" type="checkbox"/> Examples of engagement cases</li> <li><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.)</li> <li><input type="checkbox"/> Details on whether the provided information has been externally assured</li> <li><input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement</li> <li><input checked="" type="checkbox"/> Other information</li> </ul> <p data-bbox="959 1133 1449 1214">Responses to public consultations, statements on stewardship codes, and versions of letters to companies</p>
<p data-bbox="256 1254 927 1317"><b>Frequency</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Quarterly or more frequently</li> <li><input type="checkbox"/> Biannually</li> <li><input type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad-hoc/when requested</li> </ul>	<p data-bbox="959 1254 1449 1317"><b>Frequency</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Quarterly or more frequently</li> <li><input type="checkbox"/> Biannually</li> <li><input type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad-hoc/when requested</li> </ul>
<p data-bbox="256 1574 927 1637"><b>URL</b></p> <p data-bbox="256 1653 927 1706"><a href="https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-and-voting-history">https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-and-voting-history</a></p>	

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

<b>Disclosure to public and URL</b>	
<b>Disclosure to public and URL</b>	
<input checked="" type="radio"/> Disclose all voting decisions <input type="radio"/> Disclose some voting decisions <input type="radio"/> Only disclose abstentions and votes against management	
<b>Frequency</b>	
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested	
<b>URL</b>	
	<a href="https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-and-voting-history">https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-and-voting-history</a>
<b>URL</b>	
	<a href="https://www.blackrock.com/corporate/literature/publication/blk-annual-stewardship-report-2018.pdf">https://www.blackrock.com/corporate/literature/publication/blk-annual-stewardship-report-2018.pdf</a>

Fixed income

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

<b>Disclosure to clients/beneficiaries</b>	
	<p><b>Disclosure to clients/beneficiaries</b></p> <p><input type="radio"/> Broad approach to RI incorporation</p> <p><input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used</p>
	<p><b>Frequency</b></p> <p><input type="checkbox"/> Quarterly</p> <p><input type="checkbox"/> Biannually</p> <p><input checked="" type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad hoc/when requested</p>

**Private equity**

**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

<b>Disclosure to clients/beneficiaries</b>	
	<p><b>Disclosure to clients/beneficiaries</b></p> <p><input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities</p> <p><input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities</p> <p><input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance</p> <p><input type="checkbox"/> Other</p>
	<p><b>Frequency</b></p> <p><input checked="" type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad-hoc/when requested</p>

**Property**

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

<b>Disclosure to clients/beneficiaries</b>	
	<p>Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"><li><input checked="" type="checkbox"/> ESG information on how you select property investments</li><li><input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments</li><li><input checked="" type="checkbox"/> Information on your property investments' ESG performance</li><li><input checked="" type="checkbox"/> Other</li></ul> <p>Specify</p> <p>Performance within industry ESG Benchmarks</p>
	<p>Frequency</p> <ul style="list-style-type: none"><li><input checked="" type="checkbox"/> Quarterly or more frequently</li><li><input type="checkbox"/> Biannually</li><li><input type="checkbox"/> Annually</li><li><input type="checkbox"/> Less frequently than annually</li><li><input type="checkbox"/> Ad-hoc/when requested</li></ul>

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

<b>Disclosure to clients/beneficiaries</b>	
	<p><b>Disclosure to clients/beneficiaries</b></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>
	<p><b>Frequency</b></p> <p><input type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input checked="" type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad-hoc/when requested</p>

**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

<b>Disclosure to clients/beneficiaries</b>	
	<p><b>Disclosure to clients/beneficiaries</b></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><b>Frequency</b></p> <p><input type="checkbox"/> Quarterly</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input checked="" type="checkbox"/> Ad hoc/when requested</p>

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, and our BlackRock Alternative Advisors businesses as externally managed.

BlackRock's Private Equity Partners (PEP) provides ESG updates to investors within its quarterly commingled programs reports. These updates typically include 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. In addition, PEP holds detailed annual ESG update meetings with separate account clients upon request. Update meetings may provide detailed information on the yearly progress in further developing/ refining PEP's ESG implementation approach, overview on portfolio ESG due diligence scores, information on monitoring activity and discussion of case studies.

Each year BlackRock files a full voting record (known as form N-PX) with the U.S. Securities and Exchange Commission, and publishes a link to our website. The Investment Stewardship team's quarterly regional reports and annual reports, which are also published to BlackRock's website, provide a fuller explanation of the team's corporate governance positions and engagement practices.



# BlackRock

## Reported Information

### Public version

#### Indirect – Manager Selection, Appointment and Monitoring

## 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.



<b>SAM 02.1</b>	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		
Your organisation's investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
ESG incorporation requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
ESG reporting requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
No RI information covered in the selection documentation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

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

<b>SAM 02.2</b>	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		
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review the manager's firm-level vs. product-level approach to RI	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Assess the ESG definitions to be used	<input type="checkbox"/>	<input type="checkbox"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

ESG people/oversight

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised	Private equity		
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review the manager's RI-promotion efforts and engagement with the industry	<input type="checkbox"/>	<input type="checkbox"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<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		
Review the process for ensuring the quality of the ESG data used	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Review and agree the use of ESG data in the investment decision making process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Review and agree the impact of ESG analysis on investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review and agree manager's ESG risk framework	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Review how ESG materiality is evaluated by the manager	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review process for defining and communicating on ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review and agree ESG reporting frequency and detail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<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 - Securitized	Private equity		
ESG performance development targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
ESG score	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Other RI considerations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>		

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

Existence of ESG incorporation into the investment process

Private Equity: 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 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 co-investments; further, BAA regularly monitors portfolios comprised of co-investments for potential exposure to various risks, inclusive of material ESG-related exposures.

## Appointment

SAM 04	Mandatory	Public	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

- Private equity

## Benchmark

- Standard benchmark, specify
- ESG benchmark, specify

PEP has defined dedicated ESG benchmarks to assess and score the 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

- ESG related investment restrictions, specify
- 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
- Voting, specify
- Promoting responsible investment
- 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.



	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised	Private equity		
ESG objectives linked to investment strategy (with examples)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<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"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Compliance with investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
ESG portfolio characteristics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
How ESG materiality has been evaluated by the manager in the monitored period	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Information on any ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Metrics on the real economy influence of the investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
PRI Transparency Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
PRI Assessment Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
RI-promotion and engagement with the industry to enhance RI implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Changes to the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Other general RI considerations in investment management agreements; specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<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 - Securitised	Private equity		
ESG score	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
ESG performance minimum threshold	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Other RI considerations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>		

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

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

**Outputs and outcomes**

<b>SAM 08</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**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

<b>SAM 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,6</b>
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**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

<b>Topic or issue</b>	Lack of structured investment and reporting governance
<b>Conducted by</b>	<input checked="" type="checkbox"/> Internal staff
<b>Asset class</b>	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <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 checked="" type="checkbox"/> Private equity
<b>Scope and process</b>	Conducted in-depth analysis of manager investment process and governance
<b>Outcomes</b>	As part of ESG due diligence BlackRock identified that the external manager did not have a proper ESG policy in place. The point was raised with the manager, including sharing examples and best practices. Today, the fund has implemented standards and policies that can be considered as best practice from an ESG standpoint.

Add Example 2



Topic or issue	Assessing ESG incorporation
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <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
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
- Add Example 5
- Add Example 6
- Add Example 7
- We are not able to provide examples

BlackRock

Reported Information

Public version

Direct - Listed Equity Incorporation

## 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.



## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 01	Mandatory	Public	Gateway	PRI 1
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<b>LEI 01.1</b>	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)
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#### ESG incorporation strategy (select all that apply)

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

Percentage of active listed equity to which the strategy is applied	%
	4

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

Percentage of active listed equity to which the strategy is applied	%
	1

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

Percentage of active listed equity to which the strategy is applied	%
	30

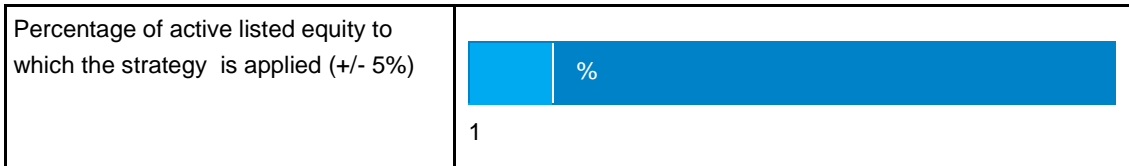
Screening and integration strategies

Percentage of active listed equity to which the strategy is applied	%
	1

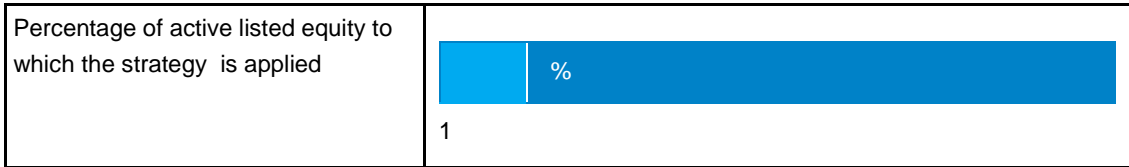
Thematic and integration strategies

Percentage of active listed equity to which the strategy is applied	%
	1

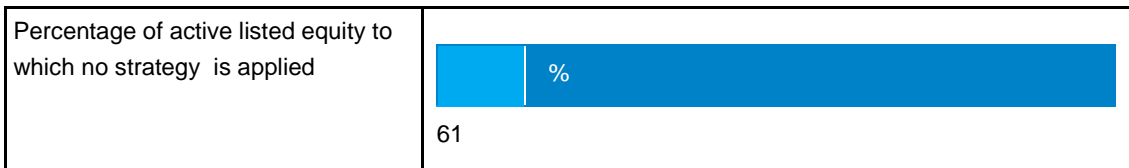
Screening and thematic strategies



All three strategies combined



We do not apply incorporation strategies



100%

**LEI 01.2** Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation 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.

<b>LEI 02</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**LEI 02.1**

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

**Type of ESG information**

- Raw ESG company data

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager

- Company-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager

- Sector-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Screened stock list

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- ESG issue-specific analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify

<b>LEI 02.2</b>	Indicate if you incentivise brokers to provide ESG research.
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- Yes
- No

<b>LEI 03</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>LEI 03.1</b>	Indicate if 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.
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- Engagement
  - We have a systematic process to ensure the information is made available.
  - We occasionally make this information available.
  - We do not make this information available.
- (Proxy) voting
  - We have a systematic process to ensure the information is made available.
  - We occasionally make this information available.
  - We do not make this information available.

<b>LEI 03.2</b>	Additional information. [Optional]
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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.

**(A) Implementation: Screening**

<b>LEI 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>LEI 04.1</b>	Indicate and describe the type of screening you apply to your internally managed active listed equities.
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**Type of screening**

- Negative/exclusionary screening

**Screened by**

- 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

#### Screened by

- 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

#### Screened by

- 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**

**Mandatory**

**Public**

**Core Assessed**

**PRI 1**

**LEI 05.1**

Indicate which processes your organisation uses to ensure 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 or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided 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**

**Public**

**Additional Assessed**

**PRI 1**

**LEI 06.1** Indicate which processes your organisation uses to ensure fund criteria are not breached.

- Systematic checks are performed to ensure that stocks meet the funds' screening criteria.
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- Audits of fund holdings are undertaken regularly by internal audit function
- Periodic auditing/checking of the organisations RI funds by external party
- Other, specify  
Active portfolio management team regularly reviews portfolio positions
- None of the above

**LEI 06.2** If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.

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.

## (B) Implementation: Thematic

**LEI 07**

**Mandatory**

**Public**

**Descriptive**

**PRI 1**

**LEI 07.1** Indicate the type of sustainability thematic funds or mandates your organisation manages.

- Environmentally themed funds
- Socially themed funds
- Combination of themes

**LEI 07.2** Describe your organisation's processes relating to sustainability themed funds. [Optional]

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.

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.






## (C) Implementation: Integration of ESG factors

LEI 08	Mandatory	Public	Core Assessed	PRI 1
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### LEI 08.1

Indicate the ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this 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	 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]

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.

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	Public	Core Assessed	PRI 1
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<b>LEI 09.1</b>	Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.
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- 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

<b>LEI 09.2</b>	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%

<b>LEI 09.3</b>	Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.
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- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

<b>LEI 09.4</b>	Indicate how frequently you review internal research that builds your ESG integration strategy.
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- 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 was incorporated into investment decisions
- Other, specify
- None of the above

**LEI 09.6** Additional information.[Optional]

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.

<b>LEI 10</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEI 10.1** Indicate which aspects of investment analysis you integrate material ESG information into.

- 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

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

Quality of management

Proportion of actively managed listed equity exposed to investment analysis

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

Analysis of company strategy

Proportion of actively managed listed equity exposed to investment analysis

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

Portfolio weighting

Proportion of actively managed listed equity exposed to investment analysis

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

Sensitivity and/or scenario analysis

Proportion of actively managed listed equity exposed to investment analysis

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

Fair value/fundamental analysis

Proportion of actively managed listed equity exposed to investment analysis

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

Other, specify

Multiple research-drive, proprietary measures

Proportion of actively managed listed equity exposed to investment analysis

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

**LEI 10.2**

Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.

- 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 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.

**ESG incorporation in passively managed listed equities**

<b>LEI 11</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**LEI 11.1** Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.

- Yes
- No

**LEI 11.2** Indicate the percentage of your total passive listed equity funds for which ESG issues are incorporated in the 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 issues <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 issues <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 issues <input type="checkbox"/> Other

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 issues <input checked="" type="checkbox"/> Other

Index/fund 5

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Fund Name: iShares J.P. Morgan ESG \$ EM Bond UCITS ETF Index Name: JP Morgan ESG EMBI Global Diversified index	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG issues <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: <w:br /> <w:br />iShares MSCI KLD 400 Social ETF <w:br />iShares MSCI USA ESG Select ETF <w:br />iShares MSCI USA SRI UCITS ETF USD (Acc) <w:br />iShares ESG MSCI EAFE ETF <w:br />iShares ESG MSCI EM ETF <w:br />iShares MSCI ACWI Low Carbon Target ETF <w:br />iShares MSCI EM SRI UCITS ETF USD (Acc) <w:br />iShares Global Clean Energy ETF <w:br />iShares Dow Jones Global Sustainability Screened UCITS ETF USD (Acc) <w:br />iShares ESG MSCI USA ETF <w:br />iShares J.P. Morgan ESG \$ EM Bond UCITS ETF USD (Acc) <w:br />iShares Global Clean Energy UCITS ETF USD (Dist) <w:br />iShares MSCI World Islamic UCITS ETF USD (Dist) <w:br />iShares MSCI Japan SRI UCITS ETF <w:br />iShares ESG 1-5 Year USD Corporate Bond ETF <w:br />iShares MSCI USA Islamic UCITS ETF USD (Dist) <w:br />iShares MSCI World SRI UCITS ETF USD (Dist) <w:br />iShares MSCI Global Impact ETF <w:br />iShares MSCI EM Islamic UCITS ETF USD (Dist) <w:br />iShares MSCI EM SRI UCITS ETF USD (Dist) <w:br />iShares \$ Corp Bond SRI 0-3yr UCITS ETF USD (Dist) <w:br />iShares MSCI USA SRI UCITS ETF USD (Dist) <w:br />iShares ESG USD Corporate Bond ETF <w:br />iShares MSCI EM IMI ESG Screened UCITS ETF USD (Acc) <w:br />iShares MSCI World ESG Screened UCITS ETF USD (Dist) <w:br />iShares MSCI World ESG Enhanced UCITS ETF USD (Dist) <w:br />iShares MSCI Japan SRI UCITS ETF USD (Dist) <w:br />iShares MSCI Japan ESG Screened UCITS ETF USD (Dist) <w:br />iShares MSCI USA ESG Screened UCITS ETF USD (Acc) <w:br />iShares J.P. Morgan ESG \$ EM Bond UCITS ETF USD (Dist) <w:br />iShares MSCI Japan ESG Enhanced UCITS ETF USD (Dist) <w:br />iShares MSCI World ESG Screened UCITS ETF USD (Acc) <w:br />iShares MSCI EM IMI ESG Screened UCITS ETF USD (Dist) <w:br />iShares MSCI USA ESG Screened UCITS ETF USD (Dist) <w:br />iShares MSCI Japan ESG Screened UCITS ETF USD (Acc) <w:br />iShares Thomson Reuters Inclusion and Diversity UCITS ETF <w:br />iShares MSCI USA ESG Enhanced UCITS ETF USD (Dist) <w:br />iShares € Corp Bond SRI 0-3yr UCITS ETF <w:br />iShares MSCI Europe SRI UCITS ETF EUR (Acc) <w:br />iShares MSCI World SRI UCITS ETF EUR (Acc) <w:br />iShares Dow Jones Eurozone Sustainability Screened UCITS ETF (DE) <w:br />iShares € Corp Bond SRI UCITS ETF EUR (Dist) <w:br />iShares MSCI Europe SRI UCITS ETF EUR (Dist) <w:br />iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc) <w:br />iShares MSCI Europe ESG Screened UCITS ETF EUR (Acc) <w:br />iShares MSCI USA SRI UCITS ETF EUR Hedged (Dist) <w:br />iShares MSCI EMU ESG Screened UCITS ETF EUR (Acc) <w:br />iShares MSCI EMU ESG Screened UCITS ETF EUR (Dist) <w:br />iShares \$ Corp Bond SRI 0-3yr UCITS ETF EUR Hedged (Acc) <w:br />iShares MSCI Europe ESG Screened UCITS ETF EUR (Dist) <w:br />iShares MSCI Europe ESG Enhanced UCITS ETF EUR (Dist) <w:br />iShares MSCI EMU ESG Enhanced UCITS ETF EUR (Dist) <w:br />iShares Índice Carbono Eficiente (ICO2) Brasil Fundo de Índice <w:br />iShares ESG MSCI USA Small-Cap ETF

**Outputs and outcomes**

<b>LEI 12</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**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 issues (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]
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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	Public	Descriptive	PRI 1
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LEI 13.1

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

ESG factor 1

ESG factor and explanation	
Environment	
ESG incorporation strategy applied	
Integration <input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Index incorporating ESG issues	
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	
Integration <input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Index incorporating ESG issues	
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
<b>Integration</b> <input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Index incorporating ESG issues
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
<b>Integration</b> <input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Index incorporating ESG issues
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

F&E 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.

# BlackRock

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## 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.

## Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 01.1

Indicate whether your organisation has an active ownership policy.

Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

URL

<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
- Method of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other specify;
- (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 aspects of their operations, better mitigate risk over the long term, and offer better risk-adjusted returns. We engage with companies held in alpha-seeking, factor, indexing, and sustainability strategies 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, 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 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 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, 2018, our stewardship team held over 2,000 engagements in 34 countries to discuss governance practices and the sustainability of a company's business model. We meet with executives and board directors, communicate with the company's advisors, and engage with other shareholders where appropriate.

BlackRock's approach to corporate governance and stewardship is detailed in our Global Corporate Governance and Engagement Principles. These high-level principles provide 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 proxy 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. We review our Global Corporate Governance & Engagement Principles annually and update them to reflect changing market standards, evolving governance practices and insights gained from engagement over the prior year.

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 composition, diversity and the board's track record of representing the interests of long-term investors.

We engage with companies for five main reasons:

4. We are preparing to vote at the company's shareholder meeting and need to clarify the information in company disclosures
5. There has been an event at the company that has impacted its performance or may impact long-term company value
6. The company is in a sector or market where there is a thematic governance issue material to shareholder value
7. 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
8. A company requests a meeting to discuss substantive governance matters

## Engagement

<b>LEA 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1,2,3</b>
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<b>LEA 02.1</b>	Indicate the method of engagement, giving reasons for the interaction.
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Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) 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) 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) 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]

The BlackRock Investment Stewardship team consists of 40+ dedicated professionals responsible for encouraging sound corporate governance practices at the companies in which we invest on behalf of clients. The team does this primarily through engagement and proxy voting. The Stewardship team is strategically positioned as an investment function. It bridges BlackRock's various portfolio management groups, and helps to protect and enhance value for our clients through our full range of mandates that includes 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.

Strategically located in BlackRock's US, UK, Japan, Singapore, Hong Kong and Australia offices, the team leverages regional and local market expertise, and mastery of more than 10 languages, to facilitate constructive dialogue with portfolio companies and contribute to the global discourse on ESG trends in investment. From our vantage point, effective and meaningful corporate governance requires a global team in order to build a deep understanding of the risks and opportunities of our portfolio companies across markets, regions, and sectors.

Local presence gives the Investment Stewardship team credibility with companies and clients as we understand the context within which they operate and are part of their ecosystem. Sharing local insights about leadership practices, emerging trends and policy developments with colleagues globally contributes to the understanding and insights of the whole team. These diverse perspectives help the team to evolve and to enhance our effectiveness as a trusted partner to clients and a constructive investor to companies. Being local means we can participate actively in industry collaborations, committees, and conferences alongside companies and clients, bringing a global perspective in our contribution.

We are often asked to participate in large, multi-stakeholder initiatives. However, we typically do not join these initiatives for several reasons. At times, the objectives of these collaborative engagements may overlap with many of our pre-existing initiatives rendering them duplicative. In other instances, we find that the "group view" may not align with our own views, which can lead to administrative burdens and internal squabbles. And, often, our team will have previously established rapport with an issuer whereby a collective engagement can cause confusion.

Sometimes our view will prove different from an issuer or group initiative. We see diversity of opinion not as a problem, however, but a strength that brings a range of solutions to bare on a particular situation. It is not always possible to reach a consensus and in many collective engagements shareholders ultimately establish their own stance on a company or policy, regardless.

Collaborative engagement focused on ESG and value-related matters, such as strategic direction or company leadership can be much more difficult to achieve collectively. In practice, collaborative action is difficult to manage given that shareholders tend to have a range of perspectives. 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. Nonetheless, it is not always possible to reach a consensus and in many collective engagements shareholders ultimately take their own stance directly to the company. 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 reach them with our collaborative partner; be it an external partner such as the Sustainability Accounting Standards Board (SASB), the 30% Club or with an internal partner such as our portfolio managers. Where an engagement shapes our thinking on the quality of management or board leadership, key factors in sustainable long-term value, we aim ensure that portfolio managers are aware of our views. We equally determine to engage depending on the outcome we hope to create. Having clarity on the issue and intended outcome best determines if we will engage collaboratively.

LEA 03	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>LEA 03.1</b>	Indicate whether your organisation has a formal process for identifying and prioritising engagements.
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Yes

Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal engagements	<div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 5px;">Internal / Individual engagements</div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Geography / market of the companies</li> <li><input checked="" type="checkbox"/> Materiality of the ESG factors</li> <li><input checked="" type="checkbox"/> Exposure (size of holdings)</li> <li><input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred</li> <li><input checked="" type="checkbox"/> Responses to divestment pressure</li> <li><input checked="" type="checkbox"/> Consultation with clients/beneficiaries</li> <li><input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</li> <li><input checked="" type="checkbox"/> Follow-up from a voting decision</li> <li><input type="checkbox"/> Client request</li> <li><input checked="" type="checkbox"/> Breaches of international norms</li> <li><input checked="" type="checkbox"/> Other, specify</li> </ul> <div style="background-color: #808080; color: white; padding: 2px; margin-bottom: 5px;">specify</div> <p>Experience engaging companies on emerging issues.</p> <p><input type="checkbox"/> We do not outline engagement criteria for our individual engagements.</p>
Collaborative engagements	<div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 5px;">Collaborative engagements</div> <ul style="list-style-type: none"> <li><input type="checkbox"/> Potential to enhance knowledge of ESG issues from other investors</li> <li><input checked="" type="checkbox"/> Ability to have greater impact on ESG issues</li> <li><input checked="" type="checkbox"/> Ability to add value to the collaboration</li> <li><input checked="" type="checkbox"/> Geography/market of the companies targeted by the collaboration</li> <li><input checked="" type="checkbox"/> Materiality of ESG factors addressed by the collaboration</li> <li><input checked="" type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration</li> <li><input checked="" type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred</li> <li><input type="checkbox"/> Responses to divestment pressure</li> <li><input type="checkbox"/> Follow-up from a voting decision</li> <li><input type="checkbox"/> Alleviate the resource burden of engagement</li> <li><input type="checkbox"/> Consultation with clients/beneficiaries</li> <li><input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</li> <li><input type="checkbox"/> Other, specify</li> <li><input type="checkbox"/> We do not outline engagement criteria for our collaborative engagements.</li> </ul>

○ No

Each year we prioritize our work around engagement themes that we believe will encourage sound governance practices and deliver long-term financial performance for our clients. Some governance issues are perennial, such as board quality and performance, although the areas of focus may change over time. Other priorities are evolving and are informed by regulatory and other market developments. 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.

The priorities are consistent with our existing policies, which have been developed over many years and have evolved in line with market norms and emerging practice.

BlackRock's Investment Stewardship 2019 priorities are:

- Governance - board composition, effectiveness, diversity, and accountability remain top priorities
- 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
- Environmental Risks and Opportunities - disclosure provides enhanced understanding of board and management oversight of policies, risk factors and opportunities that drive long term financial 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 will identify companies for engagement through internal processes that are based on 1) our prior history of engagement with the company, 2) our priorities, and 3) our assessment of a company's financial and governance performance relative to its peers and market practice. 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. BlackRock developed a global engagement tracker that facilitates our team's ability to monitor and report engagements. Features in the tracker 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 where relevant, map ESG key performance indicators to engagement priorities and ESG issues, and note outcomes. This monitoring and tracking mechanism enables our team to measure progress over time especially as many are long-term ongoing engagements.

For each engagement, the BlackRock Investment Stewardship team determines our objectives and how best to achieve them. We generally 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. The materiality and immediacy of a given issue will generally determine the level of our engagement. 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 of board oversight, we would seek to meet with the relevant board directors, with or without management present, as appropriate.

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.

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 long-term economic interests of our clients.

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

**LEA 04.1** Indicate whether you define specific objectives for your organisation's engagement activities.

Individual / Internal engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff.
Collaborative engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration

**LEA 04.2** Additional information. [Optional]

Please see our response in LEA 03.3.

LEA 05	Mandatory	Public	Core Assessed	PRI 2
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**LEA 05.1** Indicate if you monitor and/or review engagement outcomes.

Individual / Internal engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes carried out by our internal staff.
Collaborative engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes via collaborative engagement activities.

**LEA 05.2** Indicate if you do any of the following to monitor and review the progress of engagement activities.

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 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 continuous basis <input type="checkbox"/> Other; specify

<b>LEA 05.3</b>	Additional information [Optional]
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BlackRock developed a global engagement tracker that facilitates our team's ability to monitor and report engagements. Features in the tracker 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 where relevant, map ESG key performance indicators to engagement priorities and ESG issues, and note outcomes. This monitoring and tracking mechanism enables our team to measure progress over time especially as many are long-term ongoing engagements.

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.

<b>LEA 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2,4</b>
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<b>LEA 06.1</b>	Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.
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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 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 clients, the BlackRock Investment Stewardship team engages in a constructive manner. BlackRock will vote against management when constructive engagement fails in order to hold company leadership accountable for the strategy it sets out to achieve. We may abstain on proposals where we wish to indicate to the company we are concerned about its approach to certain issues and expect them to be responsive to investors' views. In all situations the economic interests of our clients will be paramount. We may also request an engagement meeting with a company board if we believe that our engagement with management has not been effective.

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>.

<b>LEA 07</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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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
<b>Individual / Internal staff engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

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

- Involving investment decision-makers when developing 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
<b>Individual/Internal staff engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

**LEA 07.4** Additional information. [Optional]

BlackRock’s Investment Stewardship (BIS) team is strategically positioned as an investment function and bridges BlackRock’s various portfolio management groups. It helps to protect and enhance the value of our clients’ assets across all sectors and geographies and encompass the full range of mandates that includes alpha-seeking, factor, indexing, and sustainability strategies. The team confers regularly with portfolio managers which allows us to exchange our respective insights on material ESG factors 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.

<b>LEA 08</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 2</b>
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**LEA 08.1** Indicate if 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 our engagements in full <input type="radio"/> Yes, we partially track the number of our 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. BlackRock has a dedicated stewardship team of 40+ professionals responsible for encouraging sound corporate governance practices at the companies in which we invest on behalf of clients through engagement and proxy voting.

**Outputs and outcomes**

<b>LEA 09</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**LEA 09.1** Indicate the proportion of companies from your listed equities portfolio with which your organisation engaged with 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"/>	2367	13
Collaborative engagements	<input type="checkbox"/>	0	0

**LEA 09.2** Indicate the proportion 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
<b>One interaction</b>	<input type="radio"/> >76% <input checked="" type="radio"/> 51-75% <input type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
<b>2 to 3 interactions</b>	<input type="radio"/> >76% <input type="radio"/> 51-75% <input checked="" type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
<b>More than 3 interactions</b>	<input type="radio"/> >76% <input type="radio"/> 51-75% <input type="radio"/> 11-50% <input checked="" type="radio"/> 1-10% <input type="radio"/> None
<b>Total</b>	<b>100%</b>

**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.

<b>LEA 10</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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**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 the supplier(s) from the 'company's supply chain
- 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 will be 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****Public****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	<p><b>Climate Change</b></p> <input type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>To gain a better understanding, through disclosures, of the processes that each company has in place to manage climate risks and to understand how those risks are likely to impact the business. To promote the TCFD as a sound reporting framework.</p>
Scope and Process	<p>Over the past year, we engaged with over 200 companies on the topic of climate risk, some multiple times. During the course of our engagements, we asked management and corporate boards to speak to board oversight of climate-related risks, how the company assesses potential opportunities that the changing market may present, and how climate risk might influence future long-term capital expenditure plans.</p> <p>In 2018, we have observed that certain companies which previously lagged their peers in providing climate risk disclosure are now disclosing the strategic oversight of climate risks and opportunities potentially impacting their financial performance over the long term.</p> <p>For instance, we've started to see changes in climate risk reporting at a large American multinational petroleum company whose management team we have engaged with over several years. The company had previously been slow to address what we view as material climate-related risks inherent in its business model, citing concerns that broader disclosures would expose them to greater legal and competitive risk. In the wake of our engagements, however, the board began to increasingly recognize the value of the TCFD reporting framework, which suggested, due to its focus on materiality.</p>
Outcomes	<input checked="" type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change

<input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other
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Add Example 2

ESG Topic	<p>Diversity, Other governance</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Executive Remuneration</li> <li><input type="checkbox"/> Climate Change</li> <li><input type="checkbox"/> Human rights</li> <li><input type="checkbox"/> Company leadership issues</li> <li><input type="checkbox"/> Pollution</li> <li><input type="checkbox"/> General ESG</li> <li><input checked="" type="checkbox"/> Diversity</li> <li><input type="checkbox"/> Shareholder rights</li> <li><input type="checkbox"/> Health and Safety</li> <li><input type="checkbox"/> Sustainability reporting</li> <li><input type="checkbox"/> Water risks</li> <li><input type="checkbox"/> Labour practices and supply chain management</li> <li><input type="checkbox"/> Anti-bribery and corruption</li> <li><input type="checkbox"/> Deforestation</li> <li><input type="checkbox"/> Aggressive tax planning</li> <li><input type="checkbox"/> Cyber security</li> <li><input checked="" type="checkbox"/> Other governance</li> <li><input type="checkbox"/> Plastics</li> <li><input type="checkbox"/> Other</li> </ul>
Conducted by	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Individual / Internal</li> <li><input type="checkbox"/> Collaborative</li> </ul>
Objectives	<p>One of our engagement priorities is connected to diversity, and as part of that priority, we expect companies to explain their approach to diversity and how they plan to ensure a diverse board.</p>
Scope and Process	<p>In 2018, BlackRock updated its US proxy voting guidelines emphasizing our view that board diversity is an investment issue. In March 2018, we published a commentary of how we will engage on board diversity. The Stewardship team scaled its board diversity engagements by sending letters to nearly 300 companies in the Russell 1000 with fewer than two women on their boards to explain our view that board diversity is an important factor in board effectiveness. While we recognize that gender is not the only means to display board diversity, it is observable and the letters created opportunities to learn how companies approach board diversity.</p> <p>Although many factors likely came into play, in the wake of our engagements we have witnessed encouraging change in the US Real Estate Investment Trust (REIT) sector. A number of firms we engaged had noted that investor actions had made them more aware of these gaps in their board composition. According to a recent study, of the 94 newly elected, non-employee/outside REIT directors this year, 52% are female, doubling from just two years earlier, which marks the first time ever that new male directors comprised less than the majority across the REIT sector.</p>
Outcomes	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Company changed practice</li> <li><input type="checkbox"/> Company committed to change</li> <li><input type="checkbox"/> Disclosure / report published</li> <li><input type="checkbox"/> Divestment</li> </ul>

<input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other
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Add Example 3

ESG Topic	<p>Cyber security, Other governance</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Executive Remuneration</li> <li><input type="checkbox"/> Climate Change</li> <li><input type="checkbox"/> Human rights</li> <li><input type="checkbox"/> Company leadership issues</li> <li><input type="checkbox"/> Pollution</li> <li><input type="checkbox"/> General ESG</li> <li><input type="checkbox"/> Diversity</li> <li><input type="checkbox"/> Shareholder rights</li> <li><input type="checkbox"/> Health and Safety</li> <li><input type="checkbox"/> Sustainability reporting</li> <li><input type="checkbox"/> Water risks</li> <li><input type="checkbox"/> Labour practices and supply chain management</li> <li><input type="checkbox"/> Anti-bribery and corruption</li> <li><input type="checkbox"/> Deforestation</li> <li><input type="checkbox"/> Aggressive tax planning</li> <li><input checked="" type="checkbox"/> Cyber security</li> <li><input checked="" type="checkbox"/> Other governance</li> <li><input type="checkbox"/> Plastics</li> <li><input type="checkbox"/> Other</li> </ul>
Conducted by	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Individual / Internal</li> <li><input type="checkbox"/> Collaborative</li> </ul>
Objectives	<p>To better understand the way in which public company boards are managing governance, strategy, and risk management around cybersecurity threats and data security issues.</p>
Scope and Process	<p>This past year, we have engaged with several companies that had experienced cyber-attacks which, to varying degrees, exposed sensitive customer data to the public and malicious actors, interfered with manufacturing and research and development processes, and disrupted sales operations. In each instance, the breaches resulted in material financial losses to the companies in the form of civil lawsuits, production shutdowns, and/or reduction in sales.</p> <p>Broadly speaking, we have learned that a company's approach to managing data security depends on factors specific to that company's individual business. For example, we engaged with a pharmaceutical company where we discussed key takeaways from its recovery and remediation process following a cyber-attack which disrupted their global operations. Following the incident, the board partnered with a cybersecurity technology firm that assessed their internal controls and explored strategies for improving data protection. The board also enhanced its approach to crisis management, developing clear lines of responsibility and oversight and direct channels for regular communications.</p>
Outcomes	<ul style="list-style-type: none"> <li><input type="checkbox"/> Company changed practice</li> <li><input checked="" type="checkbox"/> Company committed to change</li> <li><input type="checkbox"/> Disclosure / report published</li> <li><input type="checkbox"/> Divestment</li> </ul>



<input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other
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Add Example 4

ESG Topic	<p>Anti-bribery and corruption, Other governance</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Executive Remuneration</li> <li><input type="checkbox"/> Climate Change</li> <li><input type="checkbox"/> Human rights</li> <li><input type="checkbox"/> Company leadership issues</li> <li><input type="checkbox"/> Pollution</li> <li><input type="checkbox"/> General ESG</li> <li><input type="checkbox"/> Diversity</li> <li><input type="checkbox"/> Shareholder rights</li> <li><input type="checkbox"/> Health and Safety</li> <li><input type="checkbox"/> Sustainability reporting</li> <li><input type="checkbox"/> Water risks</li> <li><input type="checkbox"/> Labour practices and supply chain management</li> <li><input checked="" type="checkbox"/> Anti-bribery and corruption</li> <li><input type="checkbox"/> Deforestation</li> <li><input type="checkbox"/> Aggressive tax planning</li> <li><input type="checkbox"/> Cyber security</li> <li><input checked="" type="checkbox"/> Other governance</li> <li><input type="checkbox"/> Plastics</li> <li><input type="checkbox"/> Other</li> </ul>
Conducted by	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Individual / Internal</li> <li><input type="checkbox"/> Collaborative</li> </ul>
Objectives	<p>We sought to hold the company to account for what had occurred, and also to discuss plans for avoiding similar situations in the future.</p>
Scope and Process	<p>In the 3rd and 4th quarters of 2018, we engaged with a Danish bank that had been involved in money laundering. Amid growing pressure from various stakeholders to respond to this issue, we met with the company to discuss both orderly and sudden succession plans for the CEO. We also discussed potential succession and board refreshment in light of this issue and the skills / experience needed on the board to oversee management.</p> <p>After our engagement, it was reported that the CEO had resigned and that an interim CEO had been appointed. While the internal investigation concluded that the CEO met his legal obligations, it was also acknowledged that the CEO had overall management responsibility and accountability. We discussed the board's plans for avoiding a similar situation in the future, and how they aimed to rebuild trust and confidence with stakeholders. This included strengthening of the compliance / anti-money laundering functions, including adding more professionals to that function, and firm-wide compliance training.</p>
Outcomes	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Company changed practice</li> <li><input type="checkbox"/> Company committed to change</li> <li><input type="checkbox"/> Disclosure / report published</li> <li><input type="checkbox"/> Divestment</li> <li><input type="checkbox"/> Failed/no outcome</li> </ul>

<input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other
---

Add Example 5

ESG Topic	<p>Company leadership issues, Diversity, Health and Safety, Other governance</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Executive Remuneration</li> <li><input type="checkbox"/> Climate Change</li> <li><input type="checkbox"/> Human rights</li> <li><input checked="" type="checkbox"/> Company leadership issues</li> <li><input type="checkbox"/> Pollution</li> <li><input type="checkbox"/> General ESG</li> <li><input checked="" type="checkbox"/> Diversity</li> <li><input type="checkbox"/> Shareholder rights</li> <li><input checked="" type="checkbox"/> Health and Safety</li> <li><input type="checkbox"/> Sustainability reporting</li> <li><input type="checkbox"/> Water risks</li> <li><input type="checkbox"/> Labour practices and supply chain management</li> <li><input type="checkbox"/> Anti-bribery and corruption</li> <li><input type="checkbox"/> Deforestation</li> <li><input type="checkbox"/> Aggressive tax planning</li> <li><input type="checkbox"/> Cyber security</li> <li><input checked="" type="checkbox"/> Other governance</li> <li><input type="checkbox"/> Plastics</li> <li><input type="checkbox"/> Other</li> </ul>
Conducted by	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Individual / Internal</li> <li><input type="checkbox"/> Collaborative</li> </ul>
Objectives	<p>To understand companies' approaches to governance and human capital management (HCM) issues such as diversity and health and safety, and how boards of directors are engaged to ensure the effective strategic implementation of HCM throughout their organizations.</p>
Scope and Process	<p>As part of our long-term engagement efforts, we engaged with a major Hong Kong-based utility company to discuss (1) recent changes to the board's composition and (2) occupational health and safety (OH&amp;S) oversight in light of some contractor and employee fatalities in recent years.</p> <p>The company secretary indicated that both the board and the nomination committee recognize that certain board members, including some independent directors, have served for an extended period of time. To address these issues, a new independent director and a non-executive director were added to the board in August 2018. Regarding OH&amp;S, the company noted that this is a material issue and all fatality incidents are immediately reported to the board. In light of these incidents, the company recruited a new OH&amp;S head and instituted a more comprehensive OH&amp;S policy, with a stronger focus on the management of contractors.</p>
Outcomes	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Company changed practice</li> <li><input type="checkbox"/> Company committed to change</li> <li><input type="checkbox"/> Disclosure / report published</li> <li><input type="checkbox"/> Divestment</li> <li><input type="checkbox"/> Failed/no outcome</li> </ul>

	<input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other
--	---

- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

<b>LEA 11.2</b>	<b>Additional information. [Optional]</b>
-----------------	---

We inform clients about our engagement and voting policies and activities through direct communication and through disclosure 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 that provide eight to ten engagement and voting cases during the quarter. All reports can be found here: <https://www.blackrock.com/corporate/about-us/investment-stewardship>. These reports provide more detail than the space here allows.

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 change 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 2018, BlackRock was awarded the Global Stewardship Disclosure Award for Asset Managers by the International Corporate Governance Network (ICGN). This was in response to the recognition of the quality and depth of BlackRock Investment Stewardship team's disclosure of their work publically.

## (Proxy) voting and shareholder resolutions

LEA 12	Mandatory	Public	Descriptive	PRI 2
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<b>LEA 12.1</b>	<b>Indicate how you typically make your (proxy) voting decisions.</b>
-----------------	---

	Approach
--	----------

© We use our own research or voting team and make voting decisions without the use of service providers.

### Based on

- our own voting policy
  - our clients' requests or policies
  - other, explain
- We hire service provider(s) who make voting recommendations and/or provide research that we use to guide our voting decisions.
- We hire service provider(s) who make voting decisions on our behalf, except for some pre-defined scenarios where we review and make voting decisions.
- We hire service provider(s) who make voting decisions on our behalf.

### LEA 12.2

Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

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.

BlackRock voting guidelines:

- 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)

Our market-specific voting guidelines are available on our website at <https://www.blackrock.com/corporate/about-us/investment-stewardship#principles-and-guidelines>

### LEA 12.3

Additional information.[Optional]

Voting decisions are taken 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 market-specific voting guidelines. BlackRock subscribes to research from the proxy advisory firms ISS and Glass Lewis as well as other market-specific specialists which provide just one input into our vote analysis process; we do not simply follow their recommendations on how to vote. Our primary use of proxy research firms is 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. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, media and ESG research.

In summary, proxy research firms help us deploy our resources to greatest effect in meeting client expectations

- 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

- 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.
- 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
- We also work with proxy research firms who 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
- 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

<b>LEA 14</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
---------------	------------------	---------------	----------------------------	--------------

<b>LEA 14.1</b>	Indicate if your organisation has a securities lending programme.
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Yes

<b>LEA 14.3</b>	Indicate how voting is addressed in your securities lending programme.
-----------------	--

- We recall all securities for voting on all ballot items
- We maintain some holdings, so we can vote at any time
- We systematically recall some securities so that we can vote on their ballot items (e.g., in line with specific criteria)
- 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 shares for voting purposes
- Other specify;

No

<b>LEA 14.4</b>	Additional information.
-----------------	-------------------------

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.

Periodically, BlackRock reviews our process for determining whether to recall securities on loan in order to vote and may modify it as necessary.

<b>LEA 15</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	---------------	--------------------	--------------

**LEA 15.1**

Indicate the proportion of votes where you or the service providers acting on your behalf have 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) for selected markets
- Vote(s) for selected sectors
- Vote(s) relating to certain ESG issues
- Vote(s) on companies exposed to controversy on specific ESG issues
- Vote(s) for significant shareholdings
- On request by clients
- Other

**LEA 15.3**

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 16****Mandatory****Public****Core Assessed****PRI 2****LEA 16.1**

Indicate the proportion of votes participated in within the reporting year in which, you and/or the service provider(s) acting on your behalf, have communicated to companies the rationale for abstaining or voting against management recommendations.

- 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 do not abstain or vote against management recommendations



**LEA 16.2**

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

- Votes for selected markets
- Votes for selected sectors
- Votes relating to certain ESG issues
- Votes on companies exposed to controversy on specific ESG issues
- Votes for significant shareholdings
- On request by clients
- Other

**LEA 16.3**

In cases where your organisation does communicate the rationale for the abstention or the vote 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****Public****Core Assessed****PRI 2****LEA 17.1**

For listed equities where you and/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 in 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

**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.

<b>LEA 18</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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**LEA 18.1**

Indicate if you track the voting instructions that you and/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 issued, indicate the proportion of ballot items that were:

<b>Voting instructions</b>	<b>Breakdown as percentage of votes cast</b>
For (supporting) management recommendations	 <p>90</p>
Against (opposing) management recommendations	 <p>9</p>
Abstentions	 <p>1</p>

100%

No, we do not track this information

<b>LEA 18.3</b>	In cases where your organisation voted against management recommendations, indicate the percentage of companies you have engaged.
-----------------	---

80

<b>LEA 18.4</b>	Additional information. [Optional]
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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.

<b>LEA 19</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	---------------	----------------------	--------------

<b>LEA 19.1</b>	Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.
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- Yes
- No

<b>LEA 19.2</b>	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

<b>LEA 20</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	---------------	--------------------	--------------

<b>LEA 20.1</b>	Indicate if your organisation directly or through a service provider filed or co-filed any ESG shareholder resolutions during the reporting year.
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- Yes
- No

<b>LEA 20.6</b>	Describe whether your organisation reviews ESG shareholder resolutions filed by other investors.
-----------------	--

We review ballot items, including shareholder resolutions, before voting proxies for those clients who have given us authority. Because environmental and social issues are often not issues on which a shareholder votes, we engage directly with the board or management. Engagement on a particular environmental or social issue is based on our assessment that there are potential material economic ramifications for shareholders over the long term.

<b>LEA 20.7</b>	Additional information. [Optional]
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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.

One misperception related to voting at shareholder meetings equates 'good stewardship' with voting against management. Yet the vast majority of items that go to a vote are routine. As noted in our regional proxy voting guidelines, we find some shareholder proposals overly prescriptive, and some to be unconstructive. Where we have sizable holdings we believe it is even more critical to engage in a discreet manner, rather than to publicly criticize or confront management-to build relationships with companies that will enable us to influence change when necessary. In our engagements we aim to provide constructive feedback and will monitor the company's response and actions over time. We see material environmental, social, and governance (ESG) issues as integral to successful company management, and subsequently to long-term value creation for our clients. We will vote against management when we judge that direct engagement has failed.

BlackRock does participate in some formal coalitions and shareholder groups on both international and market-specific levels aiming to further 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.

<b>LEA 21</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	---------------	--------------------	--------------

<b>LEA 21.1</b>	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.
-----------------	---

- 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

<b>LEA 21.2</b>	Additional information. [Optional]
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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>

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>

# BlackRock

## Reported Information

### Public version

### Direct - Fixed Income

## 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.

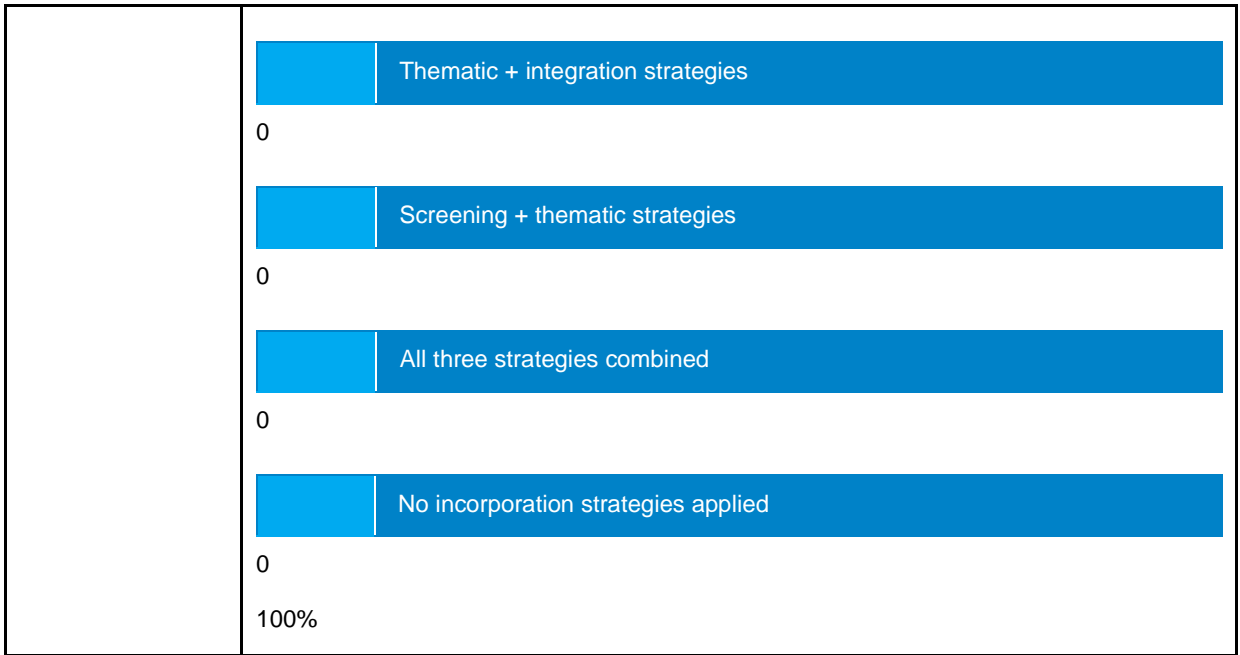
## ESG incorporation in actively managed fixed income

### Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
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	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>5</td> </tr> <tr> <td>Thematic alone</td> <td>2</td> </tr> <tr> <td>Integration alone</td> <td>92</td> </tr> <tr> <td>Screening + integration strategies</td> <td>1</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>0</td> </tr> <tr> <td><b>Total</b></td> <td><b>100%</b></td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	5	Thematic alone	2	Integration alone	92	Screening + integration strategies	1	Thematic + integration strategies	0	Screening + thematic strategies	0	All three strategies combined	0	No incorporation strategies applied	0	<b>Total</b>	<b>100%</b>
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Screening alone	5																				
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Integration alone	93																				
Screening + integration strategies	1																				
<b>Total</b>	<b>100%</b>																				





Corporate (non-financial)	Screening alone	5
	Thematic alone	1
	Integration alone	93
	Screening + integration strategies	1
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
	100%	
Securitized	Screening alone	1
	Thematic alone	1
	Integration alone	1
	Screening + integration strategies	0

	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	97
		100%

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

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

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	Public	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.
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Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
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 type="checkbox"/>

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

- Raw ESG company data

**Indicate who provides this information**

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

specify description

Public company disclosure

- ESG factor specific analysis

**Indicate who provides this information**

- 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

**Indicate who provides this information**

- 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

**Indicate who provides this information**

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

specific description
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NGOs, credit rating agencies

- Country-level ESG analysis

**Indicate who provides this information**

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

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

<b>FI 02.4</b>	Additional information. [Optional]
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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.

<b>FI 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**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. Finally, BlackRock has begun a process of housing Investment Stewardship 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.

**(A) Implementation: Screening**

<b>FI 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 1</b>
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**FI 04.1** Indicate the type of screening you conduct.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
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 are nascent, BlackRock has developed a tagging system for certain mortgage products with particular exposure to green or social underlying assets.

**FI 05**

Voluntary

Public

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

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
<b>Controversial weapons</b>

- Example 3
- Example 4
- Example 5

<b>FI 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
<b>FI 06.1</b>	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.			

Type of screening	Checks
<b>Negative/exclusionary screening?</b>	<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 type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
<b>Positive/best-in-class screening</b>	<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 type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
<b>Norms-based screening</b>	<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 type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

**FI 06.2** Additional information. [Optional]

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 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.

**(B) Implementation: Thematic**

FI 07	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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FI 07.1	Indicate what proportion of your thematic investments are:
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- Green/SDG bonds linked to environmental goals

	%
--	---

1

- Social/SDG bonds linked to social goals

	%
--	---

1

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

	%
--	---

1

- 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.

FI 08	Mandatory	Public	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

<b>FI 08.2</b>	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.

<b>FI 08.3</b>	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 begun a tiering of our green bond tagging in which we seek to highlight Tier 1, 2, and 3 bonds depending on adherence to the Green Bond Principles, impact reporting and environmentally beneficial use of proceeds.

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.

<b>FI 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>FI 09.1</b>	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.

**(C) Implementation: Integration**

FI 10	Mandatory	Public	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.

SSA

Political uncertainty is the governance factor perhaps most relevant to sovereign debt. A key issue for investors is the long-term sustainability of a country's economic and political situation. Addressing ESG issues naturally aligns with this. Many institutional investors also wish to limit reputational risk to avoid negative perceptions associated with a particular activity or regime. Climate change policies are an environmental factor gaining more attention.

The inclusion of financially material ESG information has been part of our analysis for sovereign investment for many years. Governance factors are key in evaluating the credit worthiness of sovereign debt and have been part of the BlackRock Sovereign Risk Index (BSRI) prior to the emergence of ESG analysis as a specialized additional research vector.

Fundamental Fixed Income portfolio managers use a sovereign ESG scorecard that highlights ESG factors including:

- Environmental: We use risk indicators for 1) climate change and environment; 2) natural hazards and weight them according to importance (judgement call) to produce an indicator for the environmental criteria.
- Governance: We primarily rely on "willingness to pay", a BSRI subcomponent. Our proprietary methodology combines qualitative inputs from third parties focused on governance, political stability, corruption and the rule of law.
- Social: We use indicators for education, health, integration of minorities in the society and labor market, and weight them according to importance (judgement call) to produce an indicator for social criteria.

Additionally, we use the SDG Index to evaluate a country's progress toward the UN Sustainable Development Goals.

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.

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.



## 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 analysed 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.

### Securitized

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 11.1	Indicate how ESG information is typically used as part of your investment process.
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Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 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 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>FI 11.2</b>	Additional information [OPTIONAL]
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BlackRock Fixed Income includes a company's ESG rating on its internal credit research scorecard. We have also developed an oversight policy whereby holdings in the lowest rated ESG credits across the platform receive a "deep-dive" by BlackRock's Credit Research team in conjunction with other ESG-focused teams to review with the head of Credit Research. ESG analysis will be included in issuer summaries to the extent it is viewed as material to returns.

<b>FI 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>FI 12.1</b>	Indicate the extent to which ESG issues are reviewed in your integration process.
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	<b>Environment</b>	<b>Social</b>	<b>Governance</b>
SSA	<div style="background-color: #0070c0; color: white; padding: 2px; margin-bottom: 5px;">Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div style="background-color: #0070c0; color: white; padding: 2px; margin-bottom: 5px;">Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div style="background-color: #0070c0; color: white; padding: 2px; margin-bottom: 5px;">Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<div style="background-color: #0070c0; color: white; padding: 2px; margin-bottom: 5px;">Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div style="background-color: #0070c0; color: white; padding: 2px; margin-bottom: 5px;">Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div style="background-color: #0070c0; color: white; padding: 2px; margin-bottom: 5px;">Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<div style="background-color: #0070c0; color: white; padding: 2px; margin-bottom: 5px;">Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div style="background-color: #0070c0; color: white; padding: 2px; margin-bottom: 5px;">Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div style="background-color: #0070c0; color: white; padding: 2px; margin-bottom: 5px;">Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Securitised	<div style="background-color: #0070c0; color: white; padding: 2px; margin-bottom: 5px;">Environmental</div> <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<div style="background-color: #0070c0; color: white; padding: 2px; margin-bottom: 5px;">Social</div> <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<div style="background-color: #0070c0; color: white; padding: 2px; margin-bottom: 5px;">Governance</div> <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all

<b>FI 12.2</b>	Please provide more detail on how you review E, S and/or G factors in your integration process.
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Political uncertainty is the governance factor perhaps most relevant to sovereign debt. A key issue for investors is the long-term sustainability of a country's economic and political situation. Addressing ESG issues naturally aligns with this. Many institutional investors also wish to limit reputational risk to avoid negative perceptions associated with a particular activity or regime. Climate change policies are an environmental factor gaining more attention.

The inclusion of financially material ESG information has been part of our analysis for sovereign investment for many years. Governance factors are key in evaluating the credit worthiness of sovereign debt and have been part of the BlackRock Sovereign Risk Index (BSRI) prior to the emergence of ESG analysis as a specialized additional research vector.

Fundamental Fixed Income portfolio managers use a sovereign ESG scorecard that highlights ESG factors including:

- Environmental: We use risk indicators for 1) climate change and environment; 2) natural hazards and weight them according to importance (judgement call) to produce an indicator for the environmental criteria.
- Governance: We primarily rely on "willingness to pay", a BSRI subcomponent. Our proprietary methodology combines qualitative inputs from third parties focused on governance, political stability, corruption and the rule of law.
- Social: We use indicators for education, health, integration of minorities in the society and labor market, and weight them according to importance (judgement call) to produce an indicator for social criteria.

Additionally, we use the SDG Index to evaluate a country's progress toward the UN Sustainable Development Goals.

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.

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.

### 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 analysed 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.

## Securitized

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.

## ESG incorporation in passively managed fixed income

FI 13	Voluntary	Public	Descriptive	PRI 1
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### FI 13.1 Describe your RI approach for passively managed fixed income assets.

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.

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.

For passive fixed income portfolios responsible investment practices are integrated in three possible ways, depending on the type of portfolios:

9. 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.
10. 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.
11. 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 J.P. Morgan ESG \$ EM Bond UCITS ETF provides exposure to the USD denominated emerging market debt market while aligning ESG objectives.

iShares Green Bond Index Fund: the iShares Green Bond Index Fund provides clients with positive exposure to measurable environmental outcomes and an investment grade credit profile. The strategy offers clients access to Green Bonds as well as quantitative environmental impact reporting.

iShares ESG 1-5 Year USD Corporate Bond ETF & iShares ESG USD Corporate Bond ETF: BlackRock offers US Investment Grade ESG funds with lower carbon emissions than the benchmark and minimal tracking error address client requests for higher ESG performance or lower carbon exposures and minimal tracking error.

iShares Euro Corporate Bond Sustainability Screened 0-3yr UCITS ETF: The iShares Euro Corporate Bond Sustainability Screened 0-3yr UCITS ETF offers exposure to 0-3 year bonds from issuers with MSCI ESG ratings above a predetermined level.

Fixed income - Engagement				
FI 14	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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.			

Category	Proportion of assets
<b>SSA</b>	<p> <input type="radio"/> &gt;50%  <input type="radio"/> 26-50%  <input checked="" type="radio"/> 5-25%  <input type="radio"/> More than 0%, less than 5% </p> <div style="background-color: #0070C0; color: white; padding: 5px;"> <b>FI 14.2</b> Indicate your motivations for conducting engagement (SSA fixed income assets). </div> <p> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management  <input type="checkbox"/> To encourage improved/increased ESG disclosure  <input type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue </p>
<b>Corporate (financial)</b>	<p> <input checked="" type="radio"/> &gt;50%  <input type="radio"/> 26-50%  <input type="radio"/> 5-25%  <input type="radio"/> More than 0%, less than 5% </p> <div style="background-color: #0070C0; color: white; padding: 5px;"> <b>FI 14.2</b> Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets) </div> <p> <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 </p>
<b>Corporate (non-financial)</b>	<p> <input checked="" type="radio"/> &gt;50%  <input type="radio"/> 26-50%  <input type="radio"/> 5-25%  <input type="radio"/> More than 0%, less than 5% </p> <div style="background-color: #0070C0; color: white; padding: 5px;"> <b>FI 14.2</b> Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets) </div> <p> <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 </p>
<b>Securitized</b>	<p> <input type="radio"/> &gt;50%  <input type="radio"/> 26-50%  <input type="radio"/> 5-25%  <input checked="" type="radio"/> More than 0%, less than 5% </p> <div style="background-color: #0070C0; color: white; padding: 5px;"> <b>FI 14.2</b> Indicate your motivations for conducting engagement (Securitized fixed income assets). </div> <p> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management  <input type="checkbox"/> To encourage improved/increased ESG disclosure </p>



	<input type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue
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<b>FI 14.3</b>	Additional information.[OPTIONAL]
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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.

<b>FI 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>FI 15.1</b>	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.)
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Select all that apply

Type of engagement	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Individual/Internal staff engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative engagements	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Service provider engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>FI 15.2</b>	Indicate how your organisation prioritises engagements with issuers.
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Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
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 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 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.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We engage in reaction to ESG issues that have already affected the issuer.	<input type="checkbox"/>	<input type="checkbox"/>	<input 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.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
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.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
Ensuring regular cross-team meetings and presentations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input 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 type="checkbox"/>	<input 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	Public	Additional Assessed	PRI 1,2
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**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.

## Outputs and outcomes

FI 17	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	General
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**FI 17.1** Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or performance.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
We measure whether incorporating ESG impacts portfolio risk.	<input type="checkbox"/>	<input type="checkbox"/>	<input 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.

# BlackRock

## Reported Information

### Public version

### Direct – Private Equity

## 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.

## Overview

PE 01	Voluntary	Public	Descriptive	PRI 1-6
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PE 01.1	Provide a brief overview of your organisation's approach to responsible investment in private equity.
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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 19 years investing across primary funds, secondaries and direct co-investments.

The PEP platform comprises 151 professionals (as of 10 January 2019) 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 (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.

### Approach to Responsible Investing

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.

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.

Our approach to sustainable investing is underpinned by the following five principles:

- **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	Public	Core Assessed	PRI 2
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PE 02.1	Indicate whether your organisation's investment activities are guided by a responsible investment policy / follow responsible investment guidelines.
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- Ⓞ Our investment activities are guided by a responsible investment policy



PE 02.2

Describe how your organisation outlines expectations on staff and portfolio companies' approach towards ESG issues in investment activities.

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.

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.

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.

The CIO Office and Investor Relations are also responsible for the continuous evolution of PEP's ESG framework.

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.

- Our investment activities are not guided by a responsible investment policy
- We do not have a responsible investment policy

### Fundraising of private equity funds

PE 03

Mandatory

Public

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.

- Yes

PE 03.2

Indicate how your most recent fund placement documents (PPM or similar) refer to the following responsible investment:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes
- Approach to ESG reporting

PE 03.3

Describe how your organisation refers to responsible investment in fund placement documents (PPMs or similar). [Optional]

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), LPAs 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 - 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.

- No
- Not applicable as our organisation does not fundraise

PE 04	Voluntary	Public	Additional Assessed	PRI 4
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**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.

Yes

If yes

- In LPA, incorporated in the original draft as standard procedure
- In LPA, as requested by investors
- In side letter(s)
- Other

No

**PE 04.2** Additional information. [OPTIONAL]

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), LPAs 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.

## Pre-investment (selection)

PE 05	Mandatory	Public	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.

Yes

**PE 05.2** Describe your organisation's approach to incorporating ESG issues in private equity investment selection.

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.

Recognising the characteristics of Private Equity investments, PEP's approach differentiates between fund investments and direct co-investments:

**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.

**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.

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.

Investments in companies within different industries 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.

The assessment described above is summarised within a risk assessment and with an ESG score and forms an integral part of the Investment Decision Memoranda (IDM) which is discussed during PEP's investment committees, as part of the final investment decision making process.

No

<b>PE 05.3</b>	Additional information. [Optional]
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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.

<b>PE 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1,3</b>
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<b>PE 06.1</b>	Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.
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- Raw data from target company
- Benchmarks against other companies
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. customers and suppliers)
- Advice from external resources
- Other, specify  
Internal BlackRock resources and subject matter experts
- We do not track this information

<b>PE 06.2</b>	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	Public	Additional Assessed	PRI 1,2
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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
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- 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]
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Where PEP has representation on the Board of Directors, we work with the Board on a value enhancement plan which may incorporate ESG issues.

Examples across investee companies from the reporting year 2018 include:

The hiring of qualified personnel and/or consultants with ESG expertise to support/lead the business on ESG related matters.

The improvement of governance frameworks through the creation of oversight committees, and/or the introduction of relevant governance policies and processes for the business.

Leveraging technology to streamline processes and reduce the business' ESG impact, i.e. waste management, environmental effect.

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	Public	Additional Assessed	PRI 1
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<b>PE 08.1</b>	Indicate how ESG issues impacted your private equity investment selection processes during the reporting year.
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- 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

<b>PE 08.2</b>	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

<b>PE 08.3</b>	Additional information. [OPTIONAL]
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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.

## Post-investment (monitoring)

<b>PE 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>PRI 2</b>
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<b>PE 09.1</b>	Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.
----------------	---

- Yes

<b>PE 09.2</b>	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

(in terms of total number of portfolio companies)

<b>PE 09.3</b>	Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.
----------------	---

**ESG issues**

Environmental

List up to three example targets of environmental issues

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

List up to three example targets of social issues

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

List up to three example targets of governance issues

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 formalised 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.

<b>PE 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**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

(in terms of total number 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.

<b>PE 11</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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**Types of actions taken by portfolio companies**

- Allocate responsibility for ESG issues to board/senior management

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies  
 51-90% of portfolio companies  
 10-50% of portfolio companies  
 <10% of portfolio companies  
 We do not track this information

(in terms of total number of portfolio companies)

- Composition of board ensure ESG expertise

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies  
 51-90% of portfolio companies  
 10-50% of portfolio companies  
 <10% of portfolio companies  
 We do not track this information

(in terms of total number of portfolio companies)

- Consider ESG issues in risk management processes

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies  
 51-90% of portfolio companies  
 10-50% of portfolio companies  
 <10% of portfolio companies  
 We do not track this information

(in terms of total number of portfolio companies)

- Define performance targets for applicable ESG issues in operations

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies  
 51-90% of portfolio companies  
 10-50% of portfolio companies  
 <10% of portfolio companies  
 We do not track this information



(in terms of total number of portfolio companies)

Identify and engage external parties or stakeholders that could add value or decrease risk through ESG issues

**Implemented by percentage of portfolio companies**

- >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

**Implemented by percentage of portfolio companies**

- >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

<b>PE 11.2</b>	Describe how your organisation contributes to the portfolio companies' resourcing and management of ESG issues.
----------------	---

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, 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.

<b>PE 12</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2,3</b>
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<b>PE 12.1</b>	Indicate the type and frequency of reports you request and/or receive from portfolio companies covering ESG issues.
----------------	---

**Type of reporting**

Overarching portfolio 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
- Other, specify

**Board of Director reporting**

**Typical reporting frequency**

- 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

<b>PE 12.2</b>	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.

<b>PE 13</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>PE 13.1</b>	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

<b>PE 13.3</b>	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.

## Outputs and outcomes

PE 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1,2
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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	<input checked="" type="checkbox"/> Initial screening <input type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit	
ESG issues	<table border="1"> <tr> <td>ESG issues</td> </tr> </table> <input checked="" type="checkbox"/> Environmental Coal <input type="checkbox"/> Social <input type="checkbox"/> Governance	ESG issues
ESG issues		
Sector(s)	Mining	
Impact (or potential impact) on the investment	Declined opportunity to invest	
Activities undertaken to influence the investment and its response	Opportunity to co-invest in the acquisition of a world-class, large scale producing coking coal asset.  Fundamental environmental concerns due to the nature of the business.	

Add Example 2

Investment Stage	<input type="checkbox"/> Initial screening <input type="checkbox"/> Due diligence <input checked="" type="checkbox"/> Investment decision <input type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	<div style="background-color: #0070C0; color: white; padding: 2px;">ESG issues</div> <input checked="" type="checkbox"/> Environmental <b>Business practices</b> <input checked="" type="checkbox"/> Social <b>Business practices</b> <input type="checkbox"/> Governance
Sector(s)	Food & Beverage
Impact (or potential impact) on investment	Declined opportunity to invest
Activities undertaken to influence the investment and its response	<p>Opportunity to invest in a high-end food business.</p> <p>Not comfortable with the company's business practices: 20% of revenues were derived from Foie Gras, whose production requires the inhumane treatment of animals (ducks).</p>

Add Example 3

Investment Stage	<input type="checkbox"/> Initial screening <input type="checkbox"/> Due diligence <input checked="" type="checkbox"/> Investment decision <input type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	<div style="background-color: #0070C0; color: white; padding: 2px; display: inline-block;">ESG issues</div> <input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social Subprime loans <input type="checkbox"/> Governance
Sector(s)	Financial Services
Impact (or potential impact) on investment	Declined opportunity to invest
Activities undertaken to influence the investment and its response	<p>The company provides lending services to retailers in furniture, home appliance and automotive sectors.</p> <p>We were not comfortable with the fact that most loans were subprime; and whilst a significant portion default, those that do repay the loans in full typically end up repaying multiples of the principal in the 12 months repayment period.</p>

Add Example 4

Investment Stage	<input type="checkbox"/> Initial screening <input checked="" type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	<div style="background-color: #0070C0; color: white; padding: 2px;">ESG issues</div> <input checked="" type="checkbox"/> Environmental Oil & Gas <input type="checkbox"/> Social <input type="checkbox"/> Governance
Sector(s)	Oil & Gas
Impact (or potential impact) on investment	Invested. Post investment plan to address concerns around formal oversight of Environmental risks
Activities undertaken to influence the investment and its response	Upstream Exploration & Production oil and gas company. Post investment plan was put in place to address concerns around formal oversight of Environmental risks. The company is now in the process of hiring a full time Health & Safety officer in order to improve the focus on ESG related factors.

Add Example 5

Investment Stage	<input type="checkbox"/> Initial screening <input checked="" type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	<div style="background-color: #0070C0; color: white; padding: 2px;">ESG issues</div> <input type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance Sanctions
Sector(s)	Manufacturing
Impact (or potential impact) on investment	Invested. Post investment plan to address governance issues identified.
Activities undertaken to influence the investment and its response	Producer of cooking appliances. Governance issues were identified during the due diligence as the company did not have any restrictions on where it sold its products. The company has now implemented a new sanctions policy within the specified time frame of six months after closing.

**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. Materiality is measure through a scoring system (1: identified issue, 3: Adequate risk control, 5: key driver of underlying business) for each area of assessment.

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.

**Communication**

<b>PE 16</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 6</b>
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**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.

BlackRock

Reported Information

Public version

Direct - Property

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## Overview

PR 01

Mandatory

Public

Core Assessed

PRI 1-6

PR 01.1

Indicate if your organisation has a Responsible Property Investment (RPI) policy.

Yes

PR 01.2

Provide a URL or attach the document

URL

Attach Document

[BlackRock Real Assets Sustainable Investing Policy June 2018.pdf \[233KB\]](#)

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]

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.

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:

12. Fully embed sustainable investing principles;
13. Mitigate ESG risk and maximise opportunities;
14. Understand the materiality of specific ESG issues;
15. Ensure compliance and continual improvement; and
16. Remain transparent on our ESG performance.

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.

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.

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.

## Fundraising of property funds

PR 02	Mandatory	Public	Core Assessed	PRI 1,4,6
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**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.

Yes

**PR 02.2**

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- 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]

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.

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, and such issues are also considered within the wider investment strategies. ESG performance, 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. 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

PR 03	Voluntary	Public	Additional Assessed	PRI 4
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<b>PR 03.1</b>	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.
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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

## Pre-investment (selection)

<b>PR 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>PRI 1</b>
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<b>PR 04.1</b>	Indicate if your organisation typically incorporates ESG issues when selecting property investments.
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- Yes

<b>PR 04.2</b>	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 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, and such issues are also considered within the wider investment strategies. ESG performance, 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.

Issues that are considered include, but are not limited to, energy efficiency and supply, water efficiency and supply, waste management, biodiversity, flood risk, contaminated land, climate risks, health and safety and local community impacts. Opportunities for third party green building certifications for any new real estate developments, refurbishments and maintenance projects are also considered and BlackRock has an impressive track record of achieving high performing, sustainably certifications for our assets.

Actions taken to mitigate any identified risks are determined in partnership with appropriate appointed parties, including engineering, environmental and energy management consultants. The Real Assets Sustainable Investing team is available as a resource to all of our Investment Teams should they require additional consultation on assessing material sustainability risks and opportunities on acquisitions and disposals.

As part of a wider strategy to improve the integration of ESG considerations and analysis throughout all of our investment processes, BlackRock Real Assets has 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 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 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.

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 pulled through to an ESG Summary Table which the Investment Teams must include within their Final Investment Committee Paper.

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.

**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.

Environmental

Environmental example 1, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 2, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 3, select one

- Climate change adaptation
  - Contamination
  - Energy efficiency
  - Energy supply, Flooding, GHG emissions
  - Indoor environmental quality
  - Natural hazards
  - Resilience
  - Transportation
  - Water efficiency
  - Waste management
  - Water supply
  - Other
  - Other
  - Flooding
  - GHG emissions
- Social

Social example 1, select one

- Building safety and materials
- Health, safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 2, select one

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 3, select one

- Building safety and materials
  - Health, Safety and wellbeing
  - Socio-economic
  - Accessibility
  - Affordable Housing
  - Occupier Satisfaction
  - Other
  - Other
  - Other
- Governance

Governance example 1, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 2, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 3, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

No

PR 04.4

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
- Infrastructure Integration

**Governance**

- Governance Structure
- Business Integrity
- Regulation and Compliance
- Corporate Governance

PR 05	Voluntary	Public	Additional Assessed	PRI 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



<b>PR 05.2</b>	Provide a brief description of how this ESG information was incorporated into your investment selection process.
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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 analysed 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.

<b>PR 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>PR 06.1</b>	Indicate if ESG issues impacted your property investment selection process during the reporting year.
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- 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

<b>PR 06.2</b>	Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.
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- 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 investments 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 abandoned due to the identification of risks relating to contaminated land, pollution control, flood risk, climate risk, biodiversity sensitivities and energy efficiency and/or performance. In some instances, tenant ESG issues, including tenant governance concerns, 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 discounts have 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.

### Selection, appointment and monitoring third-party property managers

PR 07

Mandatory

Public

Core Assessed

PRI 4

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

Objectives are set for our major Property Managers to assist BlackRock with the collation, management, analysis and reporting of ESG information.

### 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.

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 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 Real Assets Sustainable Investing Manager 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.

Formal Quarterly Environmental Meetings are also held between the Sustainable Investing Manager and our European and US 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.

## Post-investment (monitoring and active ownership)

### Overview

PR 08	Mandatory	Public	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.

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, analyse 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 analyse 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 prioritised. 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 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.

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

## Property monitoring and management

PR 09	Mandatory	Public	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

(in terms of number 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	80%

Social

Target/KPI	Progress Achieved
Annual Tenant Engagement	90%
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 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 Real Assets 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 energy efficiency and reduction, carbon reduction, water efficiency and reduction, zero waste to landfill, increased recycling rates, renewable energy procurement, and tenant / community engagement and support. We also regularly review the opportunities for green building certifications across our real estate portfolios and the targets that can be set with regards to the achievement of asset-level certifications.

<b>PR 10</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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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="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets  (in terms of number of property assets)

Add certification scheme, rating and benchmark 2

Specify	Greenprint Foundation
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input checked="" type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets  (in terms of number of property assets)

Add certification scheme, rating and benchmark 3

Specify	LEED
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input checked="" type="radio"/> 10-50% of property assets <input type="radio"/> <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.
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BlackRock Real Assets regularly reviews opportunities to achieve recognised, 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.

## Property developments and major renovations

PR 11	Mandatory	Public	Core Assessed	PRI 2
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PR 11.1	Indicate the proportion of active property developments and major renovations where ESG issues have been considered.
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- >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

(by number of active property developments and refurbishments)

<b>PR 11.2</b>	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.

<b>PR 11.3</b>	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.

<b>Occupier engagement</b>				
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<b>PR 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>PR 12.1</b>	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

(in terms of number of occupiers)

<b>PR 12.2</b>	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

<b>PR 12.3</b>	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.

<b>PR 13</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>PR 13.1</b>	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

(in terms of number of leases or MoUs)

<b>PR 13.2</b>	Additional information.
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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.

## Community engagement

<b>PR 14</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>PR 14.1</b>	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

(in terms of number of property assets)

<b>PR 14.2</b>	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

<b>PR 14.3</b>	Additional information.
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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:

17. 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.
18. 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.
19. 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 Philanthropy website at: <https://www.blackrock.com/corporate/about-us/social-impact>

## Outputs and outcomes

<b>PR 15</b>	Voluntary	Public	Additional Assessed	PRI 1,2
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<b>PR 15.1</b>	Indicate whether your organisation measures how your approach to responsible investment in property investments has affected financial and/or ESG performance.
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- We measure whether our approach to ESG issues impacts funds' financial performance

<b>PR 15.2a</b>	Describe the impact on the following.
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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 potentially adding value to our investments 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 real estate 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 analyse 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 consumption, water consumption and waste management. Across our global real estate portfolios we have achieved a like-for-like reduction in energy consumption, associated greenhouse gas emissions and water consumption. We are also working towards zero waste to landfill across many portfolios, and have seen a measurable improvement in the amount of waste being recycled and diverted as a result.

On an annual basis, we also submit and report on our real estate 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.

<b>PR 16</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1,3</b>
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**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	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 recognised 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 recognised for both improving both the long-term environmental performance and financial performance and value of an asset.



# BlackRock

## Reported Information

### Public version

### Direct - Infrastructure

## 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.

## Overview

INF 01	Voluntary	Public	Descriptive	PRI 1-6
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INF 01.1	Provide a brief overview of your organisation's approach to responsible investment in infrastructure where you have equity stakes.
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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.

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:

20. Fully embed sustainable investing principles;
21. Mitigate ESG risk and maximise opportunities;
22. Understand the materiality of specific ESG issues;
23. Ensure compliance and continual improvement; and
24. Remain transparent on our ESG performance.

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.

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.

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 02	Mandatory	Public	Core Assessed	PRI 1-6
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INF 02.1	Indicate if your organisation has a responsible investment policy for infrastructure.
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Yes

INF 02.2	Provide a URL if your policy is publicly available.
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No

**The BlackRock Real Assets Sustainable Investing Policy has been attached to the PR module.**

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.

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:

25. Fully embed sustainable investing principles;
26. Mitigate ESG risk and maximise opportunities;
27. Understand the materiality of specific ESG issues;
28. Ensure compliance and continual improvement; and
29. Remain transparent on our ESG performance.

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.

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.

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.

## Fundraising of infrastructure funds

INF 03

Mandatory

Public

Core Assessed

PRI 1,4,6

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.

Yes

INF 03.2

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- 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]

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 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, and such issues are also considered within the wider investment strategies. ESG performance, 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. 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****Public****Additional Assessed****PRI 4****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.

- 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

**Pre-Investment (Selection)****INF 05****Mandatory****Public****Gateway****PRI 1****INF 05.1**

Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.

- Yes

**INF 05.2**

Describe your organisation's approach to incorporating ESG issues in infrastructure investment selection.

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, and such issues are also considered within the wider investment strategies. ESG performance, 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.

Issues that are considered include, but are not limited to, energy efficiency and supply, water efficiency and supply, waste management, biodiversity, flood risk, contaminated land, climate risks, health and safety and local community impacts. Opportunities for third party green building certifications for any new greenfield developments, as well as refurbishments and maintenance projects, may also be considered.

Actions taken to mitigate any identified risks are determined in partnership with appropriate appointed parties, including engineering, environmental and energy management consultants. The Real Assets Sustainable Investing team is available as a resource to all of our Investment Teams should they require additional consultation on assessing material sustainability risks and opportunities on acquisitions and disposals.

As part of a wider strategy to improve the integration of ESG considerations and analysis throughout all of our investment processes, BlackRock Real Assets has 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 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 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.

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 pulled through to an ESG Summary Table which the Investment Teams must include within their Final Investment Committee Paper.

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.

No

<b>INF 06</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1,4</b>
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<b>INF 06.1</b>	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.
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- Internal staff
  - Specify role  
See additional information.
  - Specify role  
Real Assets Sustainable Investing Manager
  - 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

BlackRock RQA (Risk and Quantitative Analysis) Teams; External ESG Research

- No use of internal or external advice on ESG issues

**INF 06.2**

Additional information. [Optional]

From 6.1:

- Global Head of Real Assets Sustainable Investing
- Head of Real Assets Research and Strategy

BlackRock utilises a wide range of internal expertise to drive our responsible investing strategies across all of our infrastructure investments.

#### **BlackRock Sustainable Investing**

BlackRock's Chief Executive Officer and Chairman of the Board, Larry Fink, is a public proponent of long-term investing, and routinely communicates the value of sustainable investing, investment stewardship, and corporate ESG disclosure. Larry Fink advocates for these issues in his most recent annual letter to CEOs, which is located here: <https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter>.

BlackRock employs dedicated sustainable investing resources across the firm. The BlackRock Sustainable Investing team, the Investment Stewardship team, and individuals across our global investment teams, including BlackRock Real Assets, 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 BlackRock Sustainable Investing team consists of 21 professionals globally as of January 2019 who are dedicated to 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.

The Sustainable Investing platform team (formerly BlackRock Impact) was launched in 2015 to unify BlackRock's approach to sustainable investing and serve investors who seek solutions that deliver targeted financial and sustainability outcomes. Since then, the team has built out a global suite of over 30 sustainable investment strategies, ranging across asset classes, vehicles, and investment styles. Additionally, the Sustainable Investing team has expanded its mandate to focus on firm-wide ESG integration and building out a dedicated research function. The team will focus on these areas in conjunction with creating innovative investment solutions.

#### **BlackRock Real Assets**

BlackRock Real Assets has a dedicated Sustainable Investing Team who work across our global real estate and infrastructure portfolios to develop, coordinate and implement strategies that advance their sustainability performance. As part of this, the Team works closely with all of our investment and asset management teams to implement policies and practices that drive improvements in operating efficiency and that reduce the environmental and social impacts associated with our investments.

The Real Assets Sustainable Investing Team is also responsible for coordinating ESG monitoring and reporting activities across our portfolios. This includes the collation of data on key environmental performance indicators, such as energy consumption, renewable energy output, water consumption, and greenhouse gas emissions.

In addition to the dedicated internal resource on Sustainable Investing, BlackRock Real Assets has also established an ESG Champion Network which has representatives from each of the business units. The goal of the network is to support a culture where ESG is at the core of all of our business activities and to encourage the sharing of best practice across the global platform. Within each business unit the ESG Champion acts as an additional resource to augment the support provided by the Real Assets Sustainable Investing Team.

BlackRock Real Assets is also currently rolling out formal sustainable investing objectives for all employees, as part of their wider annual performance objectives. Such objectives are being defined and set for Senior Leadership, Portfolio Management and Asset Management roles.

The Real Assets Sustainable Investing team is available as a resource to all of our Investment and Asset Management Teams should they require additional consultation on assessing material sustainability risks and

opportunities on acquisitions and disposal. Where appropriate, Actions taken to mitigate any identified risks are determined in partnership with appropriate appointed parties, including engineering, environmental and energy management consultants.

### External ESG Research

Currently, BlackRock leverages third-party ESG data in addition to in-house research in order 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, and others listed below. We continue to build out our reporting and analytics capabilities, which will leverage multiple data providers, and provide insights beyond topline ESG scores and carbon emissions stats. We routinely engage with investment research providers about our views on emerging issues and the type of research we would find useful.

INF 07	Mandatory	Public	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.
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#### ESG issues

Environmental

List up to three typical examples of environmental issues

Local Environment Impacts and Pollution Risks

Climate Risk and Resilience

Energy Efficiency and Supply

Social

List up to three typical examples of social issues

Labour Management

Health and Safety

Local Communities and Stakeholders

Governance

List up to three typical examples of governance issues

Governance Structures

Business Integrity

Corporate Governance

INF 07.2	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
- Infrastructure Integration

### Governance

- Governance Structure
- Business Integrity
- Regulation and Compliance
- Corporate Governance

<b>INF 08</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,3</b>
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<b>INF 08.1</b>	Indicate what type of ESG information your organisation typically considers during your infrastructure investment selection process.
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- 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

<b>INF 08.2</b>	Additional information.
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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 analysed 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.

<b>INF 09</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>INF 09.1</b>	Indicate if ESG issues impacted your infrastructure investment selection processes during the reporting year.
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- 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

<b>INF 09.2</b>	Indicate how ESG issues impacted your infrastructure investment deal structuring processes during the reporting year.
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- 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

<b>INF 09.3</b>	Additional information.
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ESG risks or issues of concern to our investments 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 discounts have 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.

## Selection, appointment and monitoring of third-party infrastructure operators

INF 10	Mandatory	Public	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.

Yes

**INF 10.2**

Indicate your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.

- 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]

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 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 Real Assets Sustainable Investing Manager 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]

Our appointed asset operators play an important role in our sustainability investing objectives, and works 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 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

## Post-investment (monitoring and active ownership)

### Overview

INF 11

Mandatory

Public

Gateway

PRI 2

INF 11.1

Indicate whether your organisation and/or operators consider ESG issues in post-investment activities relating to your infrastructure assets.

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.

- 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.

**From INF 11.2:** Sustainability performance and ESG credentials are highlighted as part of seller materials and wider disposal marketing materials. Appropriate, capex 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, analyse 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 analyse 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 prioritised. 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:
  30. LED lighting and developments in more sustainable and efficient lighting methods;
  31. Developments in more efficient heating, ventilation and air conditioning (HVAC);
  32. Greater adoption and use of Automatic Meter Readings (AMR);
  33. Innovations in Building Management Systems
  34. Innovations in Energy and Sustainability Data Management Systems
  35. Electric Vehicles (EV), EV Charge-points and other EV infrastructure

- 36. Renewable energy procurement
- 37. 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

## Infrastructure Monitoring and Operations

INF 12	Mandatory	Public	Core Assessed	PRI 2
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<b>INF 12.1</b>	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

(in terms of number of infrastructure assets)

<b>INF 12.2</b>	Indicate ESG issues for which your organisation, and/or operators, typically sets and monitors targets (KPIs or similar) and provide examples per issue.
-----------------	--

Environmental

	List up to three example targets per issue
--	--

- Annual Energy and Carbon Reduction
- Annual Water Reduction
- Waste Diversion from Landfill

Social

	List up to three example targets per issue
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- Annual Community Engagement
- Client Engagement on ESG Performance
- Health and Safety Audits

Governance

	List up to three example targets per issue
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- Green Clauses in all New Lease Agreements
- Governance Checks on all Asset Operators
- Compliance Checks on all Co-investors

We do not set and/or monitor against targets

<b>INF 12.3</b>	Additional information. [Optional]
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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 Real Assets 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 efficient and reduction, zero waste to landfill, increased recycling rates and community engagement and support. We also regularly review the opportunities for green building certifications and sustainability standards across our real assets portfolios and the targets that can be set with regards to asset-level certifications.

<b>INF 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>INF 13.1</b>	Indicate whether you track the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).
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Yes

<b>INF 13.2</b>	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

(in terms of number of infrastructure investees)

No

<b>INF 14</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2,3</b>
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<b>INF 14.1</b>	Indicate the type and frequency of reports you request and/or receive from infrastructure investees covering ESG issues.
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**Type of Reporting**

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

**Infrastructure Maintenance**

INF 15	Mandatory	Public	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.

- >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

(in terms of number of active maintenance projects)

**INF 15.2** Describe your approach to ESG considerations for infrastructure maintenance projects. [Optional]

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 analysed 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 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.

## Stakeholder engagement

INF 16	Voluntary	Public	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
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- Regulators

	Percentage of infrastructure assets these apply to
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- >90% of infrastructure assets
- 51-90% of infrastructure assets
- 10-50% of infrastructure assets
- <10% of infrastructure assets

(in terms of number of infrastructure assets)

- Communities

	Percentage of infrastructure assets these apply to
--	--

- >90% of infrastructure assets
- 51-90% of infrastructure assets
- 10-50% of infrastructure assets
- <10% of infrastructure assets

(in terms of number of infrastructure assets)

- Other stakeholder, specify

Internal Infrastructure investment teams



Percentage of infrastructure assets these apply to

- >90% of infrastructure assets
- 51-90% of infrastructure assets
- 10-50% of infrastructure assets
- <10% of infrastructure assets

(in terms of number of infrastructure assets)

Other stakeholder, specify

**INF 16.2**

Describe your approach to stakeholder engagements in relation to your infrastructure assets.

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:

38. 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.
39. 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.
40. 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 Philanthropy website at: <https://www.blackrock.com/corporate/about-us/social-impact>

**Outputs and outcomes**

<b>INF 17</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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<b>INF 17.1</b>	Indicate whether your organisation measures how your approach to responsible investment in Infrastructure investments has affected financial and/or ESG performance.
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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

<b>INF 17.2</b>	Describe how you are able to determine these outcomes.
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It is the increasing belief of BlackRock that, on an asset-by-asset basis, we are protecting and even potentially adding value to our investments 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 analyse 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.

<b>INF 18</b>	Voluntary	Public	Descriptive	PRI 1-3
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<b>INF 18.1</b>	Provide examples of ESG issues that affected your infrastructure investments during the reporting year.
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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.

Add Example 3

ESG issue	Green Building Certifications
Types of infrastructure affected	Social Infrastructure in EMEA and US
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 recognised 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 recognised 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

## Communication

INF 19	Mandatory to Report Voluntary to Disclose	Public	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 be material, 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 sets out the roles, responsibilities and requirements to facilitate timely identification and management of any operating events at BlackRock, and at any of our real estate and infrastructure direct investments.

In addition to the procedures set out within 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 any of our real assets portfolios. Any required communication would be supported by the Real Assets Executive Managers, together with our Legal Advisory, Risk and Quantitative Analysis, Investor Relations and Corporate Communications Teams.

Real Assets also has an Escalation Policy which outlines the communication protocol for project/property incidents that may occur at BlackRock Real Asset investment projects. Its primary purpose is to make senior executives (including the Global head of Real Assets Sustainable Investing) and key partners in Real Assets and BlackRock aware of any incident which has the potential for moderate or major consequences as immediately as practicable.

# BlackRock

## Reported Information

### Public version

### Direct - Hedge Funds

## 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.

**Policy**

<b>HF 01</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**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.

- 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).
- To provide a framework of the fund governance structure.
- Because ESG incorporation is perceived as a competitive advantage in the industry.
- Growing momentum of sustainable investing in Hedge Funds in the financial community.
- Other

specify

- SAE has a dedicated ESG and Sustainability research effort and a dedicated senior portfolio manager role for ESG and Sustainable Investing
- None of the above (we don't have a policy addressing RI incorporation into Hedge Funds).

**HF 01.2** | Additional information. [Optional]

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 actively integrates ESG into the investment process.

<b>HF 02</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>4,5</b>
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<b>HF 02.1</b>	To which normative codes and initiatives are you a signatory to, or a voluntary adherent?
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- AOI Hedge Funds Principles 2014
- Standards Board for Alternative Investments (SBAI)
- Alternative Investment Management Association (AIMA)
- International Organisation of Securities Commissions (IOSCO)
- CFA's Asset Manager Code of Professional Conduct
- Other
- None of the above

**Governance**

<b>HF 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>HF 03.1</b>	Indicate whether and how your organisation has organised RI implementation and/or oversight responsibilities.
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- We have dedicated internal staff with RI oversight responsibility for Hedge Funds (CEO, CIO, PM, etc.)

	Specify
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Members of Systematic Active Equity Team

- We have dedicated internal staff with RI implementation responsibility for Hedge Funds (CEO, CIO, PM, etc.).

	Specify
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Members of Systematic Active Equity Team

- We use external consultants that have oversight and/or RI implementation responsibilities.
- Other

	Specify
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Members of Systematic Active Equity Team

- We do not have staff dedicated to RI oversight and implementation.

<b>HF 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>HF 04.1</b>	Please indicate whether you implemented any RI training program regarding hedge funds investments for your staff during the reporting year.
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- Yes, we have a formal RI training/educational program covering hedge funds.
- Yes, we have a RI training program to educate staff regarding our hedge funds policies.
- Yes, we regularly train our staff on code of ethics/compliance manuals covering hedge funds investments.
- Other
- 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	Public	Descriptive	1
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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
- No

If you responded no in HF 05.2, please explain the reasons.

Decline to respond.

### Investment process

HF 06	Mandatory	Public	Descriptive	General
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HF 06.1

Please describe the ESG resources and tools used in your investment decision-making process.

Category of ESG	Reason for use
<input type="checkbox"/> ESG data (proprietary, 3rd party, etc.)	
<input type="checkbox"/> ESG research (broker, etc.)	
<input type="checkbox"/> Consultants	
<input checked="" type="checkbox"/> Other resources/tools/practices <div style="border: 1px solid black; background-color: #cccccc; padding: 2px; margin: 5px 0;">specify</div> Other	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** **Mandatory** **Public** **Descriptive** **1,2**

**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; background-color: #cccccc; padding: 2px; margin-top: 5px;">specify</div> Proprietary modelling	<input type="checkbox"/> Pre-defined ESG parameters are added in our quantitative models. <input type="checkbox"/> We conduct scenario analysis to define ESG parameters separately. <input type="checkbox"/> Variance/Value at Risk analysis with embedded ESG-risks. <input checked="" type="checkbox"/> Other <div style="border: 1px solid black; background-color: #cccccc; padding: 2px; margin-top: 5px;">Please specify</div> See additional information.	See additional information.

We don't use quantitative analysis.

**HF 07.2**

Does your organisation uses fundamental analysis?

Yes

We don't use fundamental analysis.

**HF 07.3**

Additional information [OPTIONAL]

7.1 ESG Incorporation: Other - The development of ESG related insights are governed by existing research norms that include team-wide collaboration, and a detailed research review process.

7.2: BlackRock's SAE team does not conduct fundamental analysis.

**HF 08**

**Mandatory**

**Public**

**Descriptive**

**1,6**

**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.

HF 09	Mandatory	Public	Descriptive	1,2
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**HF 09.1** Please select and explain how active ownership practices are integrated into investment decisions.

- (Proxy) Voting
- Engagement
- Shareholder resolution
- None of the above
- Not applicable (N/A)

HF 10	Mandatory	Public	Descriptive	1,2
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**HF 10.1** Please provide examples of where ESG risks and opportunities were incorporated into the investment decisions over the past 12 months.

- 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 10.2** Based on your example(s) provided above, please specify whether the incorporation of ESG factors affected the risk-adjusted returns of your hedge funds.

- The incorporation of ESG risks positively affected the risk adjusted returns of the hedge funds
- The incorporation of ESG risks negatively affected the risk adjusted returns of the hedge funds
- The incorporation of ESG risks had an overall neutral effect on the risk adjusted returns of the hedge funds
- No impact, or we do not track this information.

HF 11	Mandatory	Public	Descriptive	General
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**HF 11.1** Do you use derivatives instruments as part of your hedge funds strategies and/or Funds of Hedge Funds?

- Yes
- No

**HF 11.2** Please select all the applicable categories of derivatives used.

Listed/OTC	Category of derivatives
<input checked="" type="radio"/> Listed derivatives	<input type="checkbox"/> Futures <input type="checkbox"/> Options (Equity, Index, ETF, FX, IR, etc.) <input checked="" type="checkbox"/> Other <div style="background-color: #cccccc; padding: 2px;">specify</div> Strategy specific <input type="checkbox"/> None of the above
<input checked="" type="radio"/> OTC derivatives	<input type="checkbox"/> Swaps <input type="checkbox"/> FRA <input type="checkbox"/> Exotic derivatives <input type="checkbox"/> CDS <input checked="" type="checkbox"/> Other <div style="background-color: #cccccc; padding: 2px;">specify</div> Strategy specific <input type="checkbox"/> None of the above

**HF 11.3** Could you please explain whether and how these derivatives impacted the risk-adjusted returns of your hedge funds investments?

**Impact**

- Positive impact
- Negative impact
- Neutral impact
- No impact or we do not track this information

**Outcomes**

Decline to respond.

**HF 11.4** Would you indicate whether the use of derivatives triggered ESG risks/opportunities at the fund level?

- Yes
- No, or undetermined

**HF 11.5** Additional information [OPTIONAL]

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.

## Monitoring and reporting

HF 12	Mandatory	Public	Descriptive	1,2
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**HF 12.1** Could you indicate whether you report separately on your funds' long/short/net exposures?

- Yes
- No
- Not Applicable

Decline to respond.

HF 13	Mandatory	Public	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.

- 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]

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	Public	Descriptive	General
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<b>HF 14.1</b>	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

<b>HF 14.3</b>	If no in HF 14.1, please explain why.
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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 15	Mandatory	Public	Descriptive	2,6
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<b>HF 15.1</b>	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

<b>HF 15.2</b>	Additional information [OPTIONAL]
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We are unable to provide examples.

# BlackRock

## Reported Information

### Public version

### Confidence building measures

## 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.



## Confidence building measures

CM 01	Mandatory	Public	Additional Assessed	General
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**CM 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify
- None of the above

CM 02	Mandatory	Public	Descriptive	General
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**CM 02.1** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM 03	Mandatory	Public	Descriptive	General
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**CM 03.1** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme

**CM 03.2** Which scheme?

- National SRI label based on the EUROSIF Transparency guidelines
- B-corporation
- UK Stewardship code

**% of total AUM the scheme applies**

- < 25%
- 25-50 %
- 50-70 %
- >75 %

GRESB

**% of total AUM the scheme applies**

- < 25%
- 25-50 %
- 50-70 %
- >75 %

- Commodity type label (e.g. BCI)
- Social label
- Climate label
- RIAA
- Other

- 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
- ESG audit of holdings
- Other, specify
- None of the above

<b>CM 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**CM 04.1** Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

<b>CM 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**CM 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

**Who has conducted the verification**

- CEO or other Chief-Level staff
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)