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**BlackRock**<sup>®</sup>

# Global Impact Annual Report

July 2022

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Dear readers,

# **We are excited to share with you our 2nd Global Impact Annual Report**

Given the magnitude and increased urgency of the world's needs, we believe impact investing has a more important role than ever. We are encouraged by the tremendous opportunity to deploy our resources into impact investing to help solve some of the world's great social and environmental problems.

In last year's inaugural Global Impact Annual Report, we highlighted how investments can support the protection of human and civil rights, help put the pandemic behind us while repairing its damage, and work to reverse climate change and its harm to people and the planet. Today, we can thank the incredibly vocal companies that took a stand against inequality and injustice, innovative health-care companies delivering COVID prevention and relief, and progress in renewable energy and decarbonization.

Sadly, today the world is even more imperilled. Not only are the pandemic and climate change still disrupting lives and economies, but we now face high inflation, commodity shortages, the Russian-Ukrainian war and its global fallout. The reverberations of this humanitarian crisis have been and will be felt across all corners of the world. Our hearts go out to every individual affected.

Even before the conflict, as of mid-2021, a record number of more than 84 million people globally had been forcibly displaced — with many suffering from lack of food, water, basic sanitary conditions and warmth. According to the United Nations High Commissioner for Refugees (UNHCR), mass displacement is on a fast upward trajectory.<sup>1</sup> At the same time, the world is also facing implications of rising inflation, with everyday staples and energy becoming less affordable. We therefore see even greater need from companies that provide sustainable, scalable solutions, such as innovative business models that can satisfy basic needs like affordable groceries and energy, employment assistance and education.

Amid growing refugee crises and a rising cost of living, we also see growing demand for affordable housing, particularly in Europe. Demand should increase as well for companies teaching financial literacy to help support the financial well-being of displaced and underserved populations.

Climate change continues to pose significant challenges to our planet, and global warming will be another catalyst for future human migration and displacement. A recent Intergovernmental Panel on Climate Change report focused on the social impact of climate change emphasized that the poorest in the world will be hit the hardest as climate change accelerates.<sup>2</sup> We expect the transition to a sustainable future will demand a careful balancing act to ensure that underserved populations are not left behind. Our investment research focuses on transformative and innovative business models, including those that equip businesses to decarbonize, reduce the cost of renewable energy and create technologies that drive the transition.

Given the magnitude and increased urgency of the world's needs, we believe impact investing has a more important role than ever. As we look ahead, we are encouraged by the tremendous opportunity to deploy our resources into impact investing to help solve some of the world's great social and environmental problems. We are grateful that you have chosen to join us on this journey.

**Sincerely,**

**The Global Impact Team**

**BlackRock Fundamental Equities**

<sup>1</sup> <https://www.unrefugees.org/refugee-facts/statistics/>. Accessed May 2022.

<sup>2</sup> Intergovernmental Panel on Climate Change. 2022: Climate Change 2022: Impacts, Adaptation and Vulnerability. 29

# Our advisors

The External Board of Advisors provides strategic guidance in our efforts to develop the leading innovative and high-impact strategy for investing in public markets.



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**The Board seeks to ensure we implement, in the most transparent way possible, a highly effective approach to creating positive social, environmental and economic outcomes.**



# Maya Chorengel

Maya Chorengel is Co-Managing Partner at The Rise Fund, where she leads fintech investing and is a key architect of the fund's impact assessment methodology. Founded by TPG in partnership with Bono and Jeff Skoll, Rise has over US \$5 billion in assets under management and is the largest private impact investing platform globally. Maya has over two decades of private equity, venture capital and impact investing experience. Prior to joining TPG, Maya was a co-founder of Elevar Equity and a Managing Director of the Dignity Fund.

She began her investing career at Warburg Pincus in New York, Hong Kong and Menlo Park. Maya serves as a director of Benevity, EverFi, Varo, Nithio, Kiva and SEO (Seizing Every Opportunity). She also serves on the Advisory Boards of CASE i3 at Duke University, the Harvard Business School Social Enterprise Initiative and co-authored a Harvard Business Review article entitled "Calculating the Value of Impact Investing." Maya earned an A.B. in Social Studies from Harvard College and an M.B.A. from Harvard Business School.





# Shawn Cole

Shawn Cole is a professor at Harvard Business School, where he teaches and conducts research on impact investing, finance and social enterprise. His academic work is published in leading finance and economic journals, and his case studies are taught at business schools worldwide. He is a co-founder and board chair of a non-profit, Precision Agriculture for Development, which delivers advisory services to over 5 million farmers, is on the board of

the Jameel Poverty Action Lab and is an affiliate of the National Bureau of Economic Research. Shawn has served on the Boston Federal Reserve's Community Development Research Advisory Council, served as an external advisor to the Gates Foundation and was the chair of the endowment management committee of the Telluride Association, a non-profit educational organization. He has worked in China, India, Indonesia, South Africa and Vietnam.





# Our reflections

When you think about impact investing, what comes to mind? A particular impact theme? A better future? Perhaps an observation about your own path in life?

We asked members of the Global Impact team, and their responses can be found throughout the report.

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**Of course, I demand a strong return on my savings, but how great that I can now also put those savings to work creating a better collective future.”**



**Eric Rice**  
Co-Portfolio Manager, Head of  
Fundamental Equities Impact Investing

“

**An ideal future is one in which there is no differentiation between impact investing and traditional investing. It is a future in which companies and investors do not have to compromise between returns and doing good for the world. We can help advance the notion that impact companies can indeed be durable growth companies that drive long-term shareholder value.”**



**Sheetal Prasad**  
Co-Portfolio Manager

“

**Even the smallest change, the smallest outcome, the smallest investment can make a difference to our planet and the people we share it with.”**



**Flora Cameron Watt**  
Impact Analyst

“

**Impact investing allows you to amplify the power of disruptive innovation for good.”**



**Quyen Tran**  
Director of Impact Investing & Head of  
FE Sustainable Investment Research

“

**Doing good business, is good for business.”**



**Will McSweeney**  
Investment Team

“

**There's only one solution for Earth's pollution. You!”**



**Kahn Fukui**  
Investment Team

“

**We aspire to bring the philanthropist, the humanitarian and the most steadfast capitalist to the same table - all collectively rooting for the same outcome. This equilibrium is only possible if we find businesses whose profitability is irrefutably tied to driving impactful outcomes.”**



**Danny Concessi**  
Investment Team

“

**Investing in creating a safer, healthier and sustainable world ensures that we are not just generating the possibility of positive financial returns, we're doing the same for our lives.”**



**Pragyapti Bhandari**  
Product Strategy Team



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# Our impact highlights

# In 2021, the companies in which the Global Impact team invested...<sup>1</sup>

1 Global Impact team based on analysis of company data and reports.

Provided education and support to

**157 million students and jobseekers**



Provided over

**190,000 affordable homes**

to those in need



**Empowered 217 million**

unbanked and underbanked individuals through access to financial and digital services

Provided affordable health care to

**1.7 billion patients**



Served communities with 415 affordable grocery stores, including 35 new stores in 2021,

**which offer prices 40% lower than conventional grocers**

Through the generation of renewable energy, the green energy companies

**avoided over 286 million metric tons of emissions**

equivalent to annual energy use of 36 million homes.



Enabling more than

**200 million water tests annually**



Powered 263 million zero-emission miles,

**reducing 102,000 metric tons of emissions**



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# Our approach

BlackRock's approach to impact investing and measurement

# Impact investing built on additionality

We have built our impact investing strategy for publicly listed equities on the foundational concept of “additionality”.

Additionality means that, but for this contribution, that outcome likely would not have occurred, so impact is created. We view additionality as a key criterion for the practice of impact investing.

Our impact strategy in public equities is based on three interconnected pillars of additionality. Through this foundational framework, impact investors can support holistically an impact enterprise's enduring success.

## 01

Additionality through the investee  
(the company) business model;

## 02

Additionality through the  
investor's contribution; and

## 03

Additionality through the asset class.

## **Additionality from the investee**

The companies in which we invest create additionality through the differentiated products and services that make up their primary business. The primary sources of company additionality are the application of leading technologies, deployment of innovative business models and the delivery of products and services to underserved populations, including the sick, the poor and the vulnerable.

## **Additionality from the investor**

It's critical that our investment strategy also provides additionality through our investor contribution to impact, which we believe must be part of any public equity investment strategy with an impact label. We incorporate a set of five mechanisms in the public equities market to create impact. Our investor contribution to impact outcomes is achieved through the execution of this collection of activities, which we have created and follow as a set of best practices in this arena. With these mechanisms in our strategy toolkit, we can deploy multiple combinations to help drive impact.

- 1** Invest with a long-term, ownership mindset.
- 2** Engage with companies to help enhance their impact outcomes.
- 3** Invest capital when an impact company needs to raise more.
- 4** Create a better marketplace for impact companies seeking a responsible exit from private equity.
- 5** Bring much-needed visibility to undervalued impact companies.

## **Additionality from the asset class**

Reinforcing these two pillars of additionality, from the investee and investor, we also see a third pillar of additionality coming into play at the asset-class level. Complementing private-market impact investing, we believe impact investing in public markets offers scaled solutions where there's strong demand for urgent solutions but inadequate supply. For example, the world faces a multi-trillion-dollar shortfall annually in the ongoing quest to meet the United Nations Sustainable Development Goals (SDGs) by 2030.<sup>1</sup> Existing contributions from companies, governments and other organizations are far from

sufficient to meet the needs outlined by the SDGs, especially as such needs have escalated in the wake of the COVID-19 pandemic. We support impact investing as a holistic, interconnected ecosystem at once encompassing different asset categories, intermediaries, the full range of asset owners and end beneficiaries.

1 "World Investment Report" United Nations Conference on Trade and Development, 2014.



# Impact Measurement and Management

**We anchor our Impact Measurement and Management (IMM) approach to a set of three principles, which we conceived of to signify our set of best practices.**

- 1 We seek to ensure that our IMM process is transparent, repeatable and auditable. We see many benefits to this approach, including having a mechanism to hold ourselves accountable, a feedback loop for our impact thesis and theory of change, and a path for improving our practice over time.
- 2 We integrate impact analysis throughout the investment process, including the identification of preliminary impact indicators before investing.
- 3 Our aim is to adopt industry-leading frameworks as much as possible, using what is relevant to, and consistent with, our investment process. This approach increases the comparability of impact measures across investments over time and helps minimize the proliferation of disparate methodologies in the industry.

## **The case for integrating all four frameworks**

The reasons why we have selected these frameworks and how we apply them reflect our desire to solve for the more challenging elements of impact measurement that matter to us deeply as impact investors. In addition to measuring positive impact from our portfolio companies, we aim to evaluate: (1) our impact theory of change over time; (2) additionality from both our portfolio companies and our contributions as an impact investor; and (3) “net impact.” The way we apply these four frameworks is complementary and together they provide a powerful, unified tool for impact assessment.

**Among the many measurement methodologies available in the industry, we have specifically chosen four to integrate into our IMM practice.**

**Impact management project's five dimensions of impact**

**The global impact investing network's IRIS+ system and taxonomy**

**UN sustainable development goals and targets (SDGs)**

**Operating principles for impact management**

## Sustainable Development Goals & Targets

Adopted in 2015 by all 193 Member States of the United Nations, the SDGs provide a blueprint of universal social and environmental goals to be achieved by 2030. We map our portfolio companies to the SDGs and specific underlying targets. Because our impact strategy requires that companies provide additionality as a key criterion to qualify for impact, those companies are advancing, not simply aligned with, the SDGs. The assessment of additionality requires significant fundamental research. While there exist rudimentary tools attempting to screen for percentage of revenue that aligns with the SDGs, such tools have yielded inconsistent results. Most critically, they cannot screen for additionality, the element essential for an enterprise to be advancing the SDGs.

# Our engagement strategy



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# What is our approach to engagements?

We strategically engage with companies to help enhance the impact of their innovative products and services. We also engage with companies to encourage best practices in their operations, focusing specifically on material Environmental, Social and Governance (ESG) risks. Notably, impact engagements are focused on the “what” of a company – its products and services, while ESG engagements are focused on the “how” of a company – its operational practices. We recognize that engagements take time to achieve the targeted outcomes we seek; therefore, we track progress and milestones throughout each engagement.

## Theory of change driving impact engagement strategy

We believe companies can enhance their impact at different stages in their business life cycle. Accordingly, we created an impact engagement strategy to harness those opportunities and target specific outcomes. For example, we meet with some companies before they undergo an initial public offering (IPO), providing advice on their long-term impact strategy as they consider entering the public equity market. In addition, we have created an innovative engagement strategy that we call Impact Engagement 2.0. We strategically introduce companies to other companies whose products and services can complement one another, deepening their respective societal and environmental impact while enhancing their competitive business models.

As a result of our strategic engagement, some companies are realizing their potential to expand their market reach and scale impact beyond what

otherwise would have occurred. We also engage with management on the importance of disclosing impact metrics and best practices in monitoring their impact over time. Such transparency can help investors better understand and appreciate an impact company’s double bottom line – its positive impact as well as its competitive edge, bringing much-needed visibility to impact companies that are often overlooked and underappreciated. Our engagement strategy is specific and bespoke to companies’ business models and impact potential.

## ESG engagement

We believe how a company operates and manages material ESG risks is inextricably linked to the company’s enduring strength to be a business with long-term financial competitiveness. Therefore, in addition to impact engagement, we engage with companies on ESG issues and offer advice on best practices. Our long-term ownership mindset builds valuable relationships with companies that provide a strong foundation for constructive dialogue. Our engagements inform our investment decisions and can reinforce our conviction about investing in a company, prompt a decision to sell or trim a position or we may hold the position with plans for further engagement. We work closely with our BlackRock Investment Stewardship (BIS) team, benefiting from their global and regional expertise in stewardship, corporate engagement and voting practices.



[Click here to learn more about our impact engagements](#)

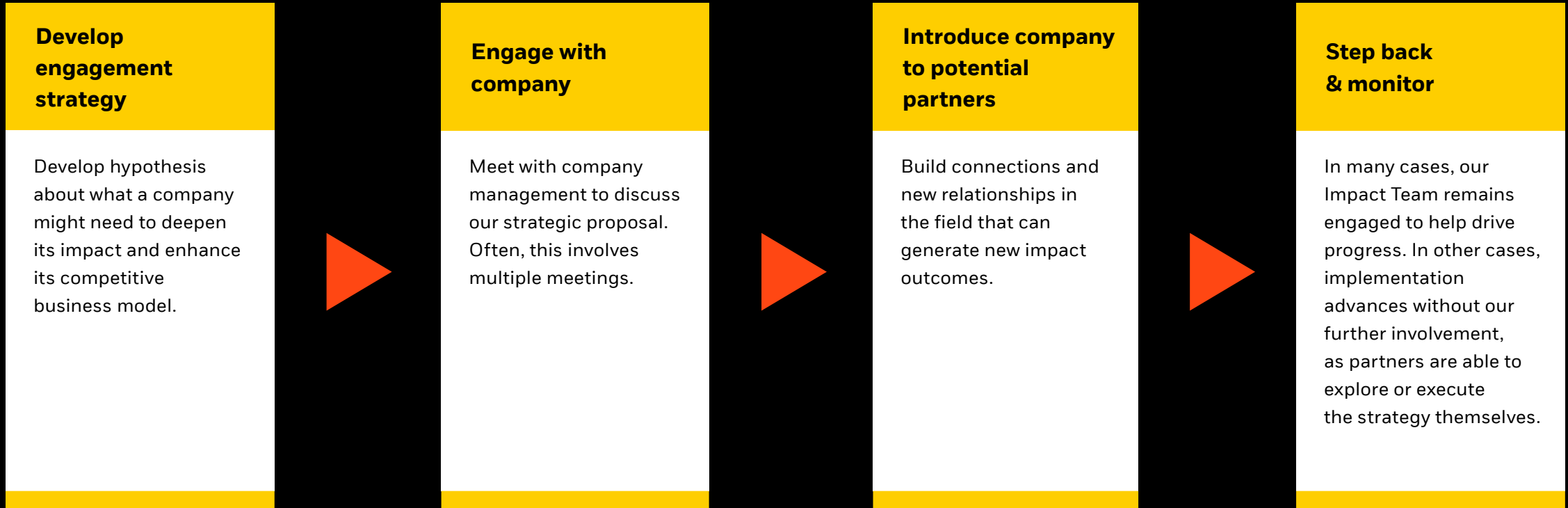


[Click here to learn more about BIS and BlackRock’s wider engagement efforts](#)

## Investor contribution to impact

- 1 Invest with a long-term, ownership mindset.
- 2 Engage with companies to help enhance their impact outcomes.
- 3 Invest capital when an impact company needs to raise more capital.
- 4 Create a better marketplace for impact companies seeking a responsible exit from private equity.
- 5 Bring much-needed visibility to undervalued impact companies.

# Impact Engagement 2.0 Pathway



## Impact engagement 2.0 example – financial literacy

## **Aim of engagement**

Our ultimate goal is to expand access to financial literacy education to individuals who are underserved and financially vulnerable.

## **What is the world problem we are looking to address?**

Globally, financial literacy rates are low, with only one-quarter of adults understanding how compound interest works, a crucial concept of basic money management.<sup>1</sup> Since the pandemic, household financial resiliency has been further impaired, especially for those who already were financially vulnerable. Thus, there is an increasing need for financial literacy education to empower and help individuals with financial planning solutions and tools to help them emerge from the cycle of poverty.<sup>2</sup>

## **How our engagement helps financial inclusion companies achieve better impact outcomes**

Financial inclusion companies empower the unbanked and underbanked by offering access to affordable financial services, a key enabler that can reduce poverty and support inclusive development.<sup>3</sup> Once included, individuals are exposed to new and more complex offerings such as loans, insurance, savings instruments and digital payments. While access to formal financial services offers significant benefits to those who previously were excluded, investing or borrowing without fully understanding the risks can lead to negative outcomes, not only for the financially vulnerable, but also for the financial services companies themselves. A lack of comprehensive support for clients has led to lawsuits, fines and harm to brand reputation. To help mitigate these negative outcomes and support the positive attributes of financial inclusion, we strategically engage with companies to support financial literacy education.

## **Engagement outline**

We engaged with a leading education company that partners with universities and other organizations to create courses supporting millions of learners. Since the education company already has some experience in financial literacy programming, we saw an opportunity for it to use its content-creation expertise to develop purpose-built financial literacy programs targeting beginners.

We introduced the education company to several leading financial inclusion companies. Through their platforms, these companies can connect with tens of millions of people, increasing the market potential for each company's reach and growth.

Following introductions, we have stepped back from the conversation to allow the companies to further explore the opportunity. Reflecting our efforts to improve rates of financial literacy globally based on prudent business strategy, we are excited to watch this engagement progress and want it to succeed.

1 Organisation of Economic Co-Operation and Development (OECD). OECD/ International Network on Financial Education. International Survey of Adult Financial Literacy. 7. 2020

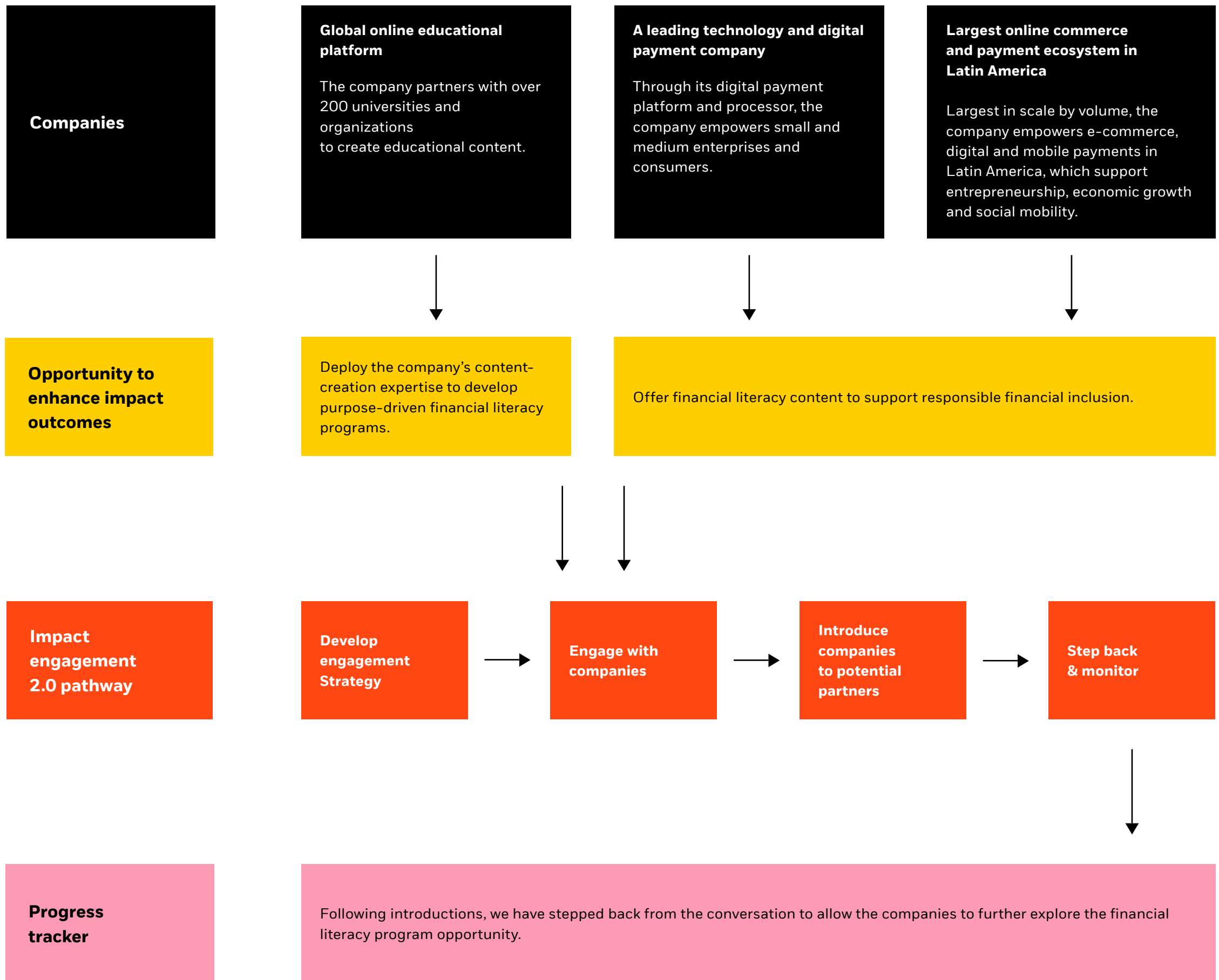
2 An OECD study showed 73% of households within the Association of Southeast Asian Nations (ASEAN) reported an income decline in 2020. From OECD, Financial Consumer Protection and Financial Literacy in Asia in response to COVID-19. 2021. 18

3 Koosman, Villani; Hadley. Intensifying financial inclusion through the provision of financial literacy training: a gendered perspective. 2019. 1

Company example exhibited for illustrative purposes only.

# Impact engagement 2.0 flowchart: financial literacy

The flowchart shows our steps during this engagement.



**Target Outcome** - We want our engagement to catalyze the formation of a financial literacy program, to be distributed on financial inclusion companies' platforms, which will help address low levels of global financial literacy and empower underserved individuals to make better financial decisions.

Company example exhibited for illustrative purposes only.

# Impact engagement from initial public offering (IPO) to listed company

We are excited to share two impact engagements that our team pursued in 2021.

## Example 1 Impact engagement at IPO

### Company

This company specializes in supporting underserved job seekers – including those with injuries, illness or disability; single parents; youth; older workers; ex-offenders; and those with diverse backgrounds – to build job skills and find job replacement.

### Aim of engagement

Advise the company to develop a clear message about its innovative business model, positive social impact and key performance metrics that would help other investors better understand and appreciate the company's competitive edge, as well as its positive contribution to inclusive employment.

### Engagement

In addition to becoming cornerstone investors at the IPO stage, we also engaged with the company during its listing process. We had an open dialogue with the company, exploring which metrics would clearly showcase its positive impact of supporting sustained and inclusive economic growth.

The strategic reporting of impact data helps the company to attract long-term investors who appreciate the company's positive impact. Additionally, quantifying the company's outcomes in supporting job seekers demonstrates to prospective clients, including governments, the company's expertise in driving improved inclusive employment that can increase the chance of winning new business.

### Outcome

Following our engagement conversations, we have been encouraged to see the company disclosing metrics that help quantify its social impact. Metrics include the number of clients with disabilities, mental health needs and veteran status. We believe this increased transparency should help the company gain more visibility and appreciation throughout the investment industry.

Company example exhibited for illustrative purposes only.



## Example 2 Impact engagement with a listed company

### Company

Through its integrated software and services platform, this company supports the research and development process in the life sciences and biopharmaceutical industry. The company is able to reduce the time it takes to bring innovative drugs to market and increase the efficiency of drug discovery.

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### Aim of engagement

Provide strategic consultation on the company's proposal to convert its corporate structure to a public benefit corporation (PBC), an uncommon move for a publicly listed company.

### Engagement

As impact investors, we voiced our full support for this company's proposal to convert to a PBC. As a benefit corporation, the company would commit "to creating a public benefit and sustainable value in addition to generating profit", which aligns with our impact investment approach to create positive societal outcomes alongside a financial return.<sup>1</sup> We believe that the company's impact, increasing the efficiency of health care, would be greater as the change in status would further empower management to fulfill the company's purpose. After voicing our support for the proposal, we stepped back to allow the company to continue its own decision-making process.



**Want to learn more about PBCs? Click here**

We voiced support for the choice to convert to a PBC, which the company ultimately decided to pursue. While this outcome is credited solely to the company, we are very encouraged that our view, as impact investors, was sought by the company.

<sup>1</sup> <https://usca.bcorporation.net/benefit-corporation> Accessed June 2022.  
Company example exhibited for illustrative purposes only.

# ESG engagement example – governance issue

Below is an example of an ESG engagement with an investee that our team completed in 2021.

## Company

This global public health company provides innovative technology to support millions of lives, including the needs of millions of underserved individuals around the world.

## Aim of engagement

Engage with the company and a third-party sustainability data provider to investigate a controversy affecting the company. The aim was to determine whether the controversy alters our investment conviction or the company's alignment with our ESG requirements and commitments.

## Background of ESG controversy

A third-party sustainability data provider downgraded the company's ESG score due to a controversy involving an investigation into alleged involvement in price-fixing of medical equipment. The alleged action occurred in a country that represented approximately 1% to 2% of the company's revenue. The company

Company example exhibited for illustrative purposes only.

has reached an agreement and paid a disclosed monetary amount as compensation. The controversy is part of a wider government-led investigation into multiple health-care companies' alleged price-fixing of medical equipment in the country.

We consider a company's third-party ESG score as only one input into our ESG analysis. As active managers, we do not rely solely on such scores to determine our view. Instead, we conduct deep fundamental research, analysis and engagement as part of our due diligence on a company. Reflecting this process, we initiated engagement with the company, as well as the data provider, to learn more about the controversy before reaching a conclusion.

## Engagement

During our engagement, the company noted the problem occurred with an independent distributor that is not under the direction of the company's operations. The company had since taken actions to remediate the issue, including introducing an annual certification requirement for its independent

distributors, and worked with independent external consultants to create a compliance monitoring system for its distributors.

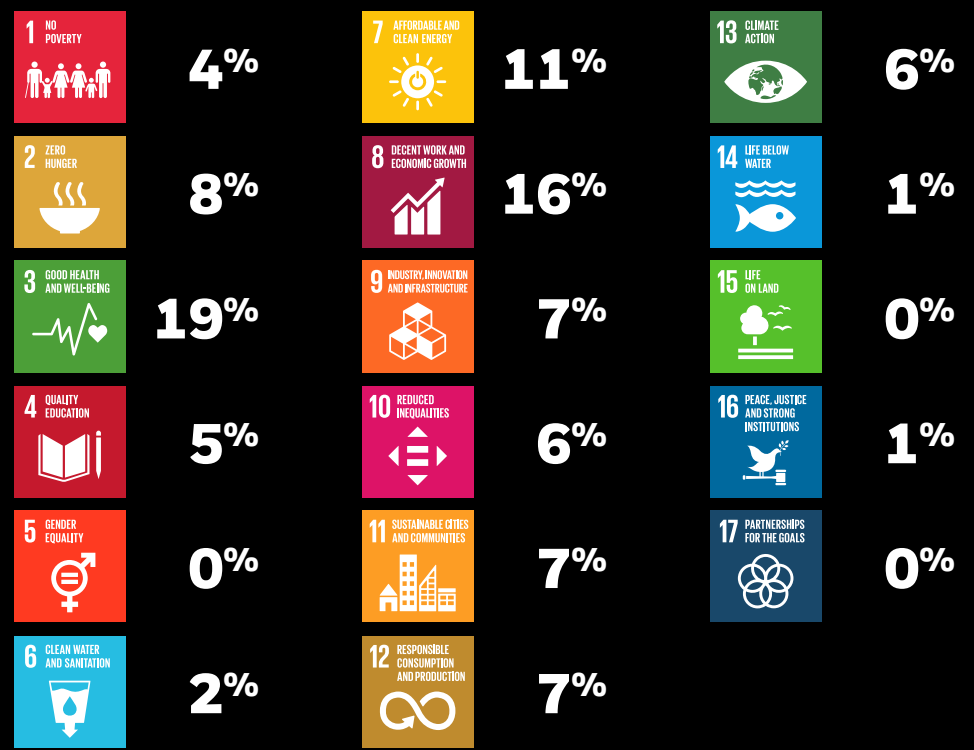
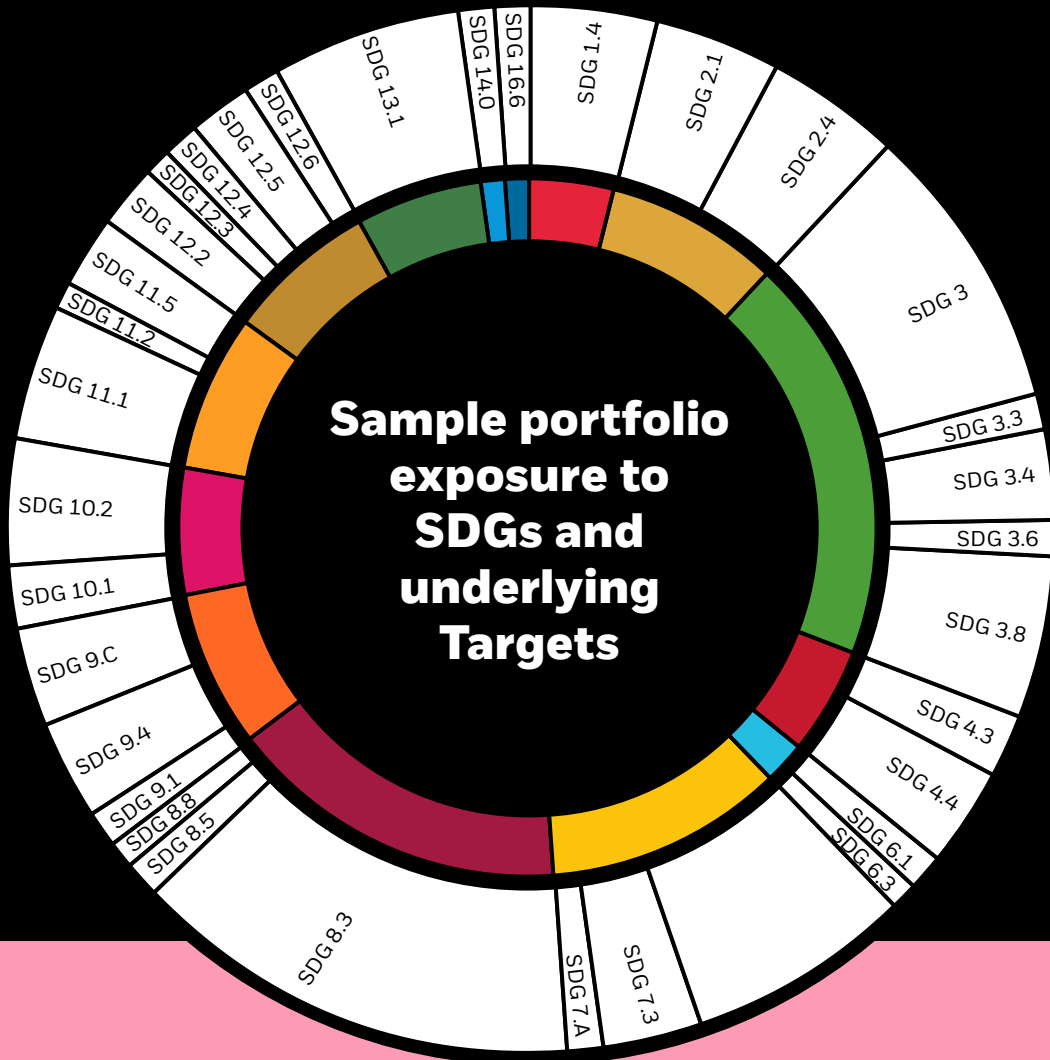
We also met with the data provider to learn more about its ESG scoring methodology, specifically focusing on this controversy. During the dialogue, we found that the main contributing factor to its downgraded score was the duration of the controversy, which we recognized as an important factor. However, since our engagement with the company, it has taken multiple remediation steps to address the controversy and help mitigate the chance of similar future incidents with independent distributors.

## Outcome

We decided to continue with our investment. Our impact team noted the broader positive impact the company creates on a global scale, including bringing health-care innovation to many underserved populations and delivering improved health care for patients. We continue to monitor the company's practices and regularly engage with management.



# **Advancing the SDGs and targets through impact**



We recognize that the SDGs are interconnected such that advancing some SDGs, such as Quality Education, can advance other SDGs, such as Gender Equality.

\* SDG 17 is not applicable for portfolio inclusion but we actively help to advance this goal through by our partnerships and engagement with impact industry practitioners, academia and companies.

Source: BlackRock, as of Dec. 31, 2021. Allocation ranges are subject to change. For illustrative purposes only.

# Our partnerships and awards

BlackRock's commitment to impact and sustainable investing



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# Awards & milestones<sup>1</sup>

## #1

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#1 Most Admired Company in Asset Management in 2022.<sup>2</sup>

## A+

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BlackRock was rated an A+ or A across every category in the Principles for Responsible Investment (“PRI”) Assessment Report 2020.<sup>10</sup>

**BlackRock was included by Dow Jones in its index of the most sustainable companies in North America in 2020.<sup>6</sup>**

## #1

---

#1 In the Capital Markets industry in America’s Most JUST Companies for 2021, according to Forbes and JUST Capital.<sup>3</sup>

#1 Asset manager contributing to sustainable and responsible investing in the SRI Connect Independent Research in Responsible Investment (IRRI) Survey in 2019.<sup>7</sup>

BlackRock was ranked #1 on Refinitiv’s 2020 top 100 most diverse and inclusive organizations globally, as ranked by their Diversity & Inclusion (D&I) Index.<sup>5</sup>

BlackRock was ranked #1 in the Financial industry in the inaugural U.S. Transparency Awards, 2019.<sup>12</sup>

## Best investor engagement

Award for Best Investor Engagement from the Institute of Corporate Secretaries and Administrators (ICSA) in 2019.<sup>11</sup>

## BlackRock was included in Bloomberg's Gender Equality Index in 2021.<sup>4</sup>

# 100%



100% renewable energy achieved globally in 2020.<sup>8</sup>

100% of travel-related emissions offset since 2017.<sup>9</sup>

1 For a detailed list, visit: [blackrock.com/corporate/literature/publication/blk-awards-and-recognition-web.pdf](https://blackrock.com/corporate/literature/publication/blk-awards-and-recognition-web.pdf)

2 <https://fortune.com/worlds-most-admired-companies/2022/search/?ordering=asc>

3 The 2021 list of America's Most JUST Companies celebrates U.S. corporations that outperform their peers in the Russell 1000 on the priorities of the American people, issues like fair pay, ethical leadership and good benefits, among others.

4 Bloomberg includes publicly traded companies in the Gender Equality Index if they score above a global threshold score, established by Bloomberg, reflecting a high level of disclosure and performance across five dimensions: female leadership & talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies and pro-women brand. <https://www.bloomberg.com/gei/>

5 The D&I Index, launched in 2016, ranks the top 100 publicly traded companies globally with the most diverse and inclusive workplaces, as measured by 24 metrics across four key categories: Diversity, Inclusion, People Development and News Controversies. <https://www.refinitiv.com/en/sustainable-finance/diversity-and-inclusion-top-100>

6 The Dow Jones Sustainability Indices track the stock performance of the world's leading companies in terms of economic, environmental and social criteria. <https://www.spglobal.com/esg/performance/indices/djsi-index-family>

7 IRRI Survey 2019 is a 360° evaluation of the economics and dynamics in the SRI and corporate governance value chain. Findings were based on the analysis of 30,281 data points collected from 954 respondents in 44 different countries.

8 In June 2020, we achieved our 100% renewable energy goal to match with renewable electricity the same amount of electricity our global operations (including data centers) consume annually. This is done through procuring renewable energy directly where possible and through purchasing environmental attribute credits where we do not have operational control or renewable energy is not available.

9 BlackRock's support for this initiative is made via grants recommended to and paid by the BlackRock Charitable Trust, a donor-advised fund.

10 The PRI Reporting Framework is a key step in building an industry standard for reporting responsible investment activities. The module scale of evaluation goes from E (worst) to A+ (best). <https://www.blackrock.com/corporate/literature/publication/blk-pri-public-transparency-report-2020-web.pdf>

11 The ICSA Awards recognize and celebrate excellence in governance and annual reporting, rewarding the work and achievements of companies, teams and individuals across the governance profession.

12 <https://www.transparencyawards.com/portfolio/awards-2019/> U.S. Transparency Awards, recognizes the quality and completeness of information that top U.S. companies make available to investors.

# Social contributions from BlackRock

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- In 2021, The BlackRock Foundation collaborated with 75+ partners and committed more than \$125 million to advance sustainability and help thousands of people across the world build financial security, including giving \$100 million to Breakthrough Energy's Catalyst Program for investments focused on clean energy technologies to help the world transition to a net-zero economy.<sup>1,2</sup>
- The BlackRock Social Impact team deployed the firm's \$50 million philanthropic COVID-19 contribution to support relief and recovery efforts around the world, including the expansion of testing in vulnerable countries to build long-term resiliency.<sup>3</sup>
- In 2021, following the pandemic's disproportionate impact on low-wage workers, BlackRock funded 10 non-profit partners focusing on upskilling workers for higher-paying careers.<sup>4</sup>
- Aligned with our focus of helping more and more people experience financial well-being, BlackRock Foundation helped more than 1 million people in the U.S. access savings through our Emergency Savings Initiative.<sup>5</sup>

1 BlackRock, included multiyear commitments. <https://www.blackrock.com/corporate/literature/fact-sheet/blk-foundation-2021-impact-infographic.pdf>. Accessed April 2022.

2 BlackRock, <https://www.blackrock.com/corporate/newsroom/press-releases/article/corporate-one/press-releases/blackrock-foundation-grants-100m-to-breakthrough-energy>. Accessed April 2022.

3 BlackRock, <https://www.blackrock.com/corporate/about-us/social-impact/our-commitment-to-people-and-communities>. Accessed April 2022.

4 BlackRock, <https://www.blackrock.com/corporate/literature/fact-sheet/blk-foundation-2021-impact-infographic.pdf>. Accessed April 2022.

5 Ibid





# Supporting SDG 17 – partnerships for the goals

We believe that by supporting industry practitioners and contributing to improvements in market practices, collectively we will move closer to achieving the UN Sustainable Development Goals, drive adoption of best practices and promote transparency on impact and sustainable investing and reporting.



## A partial list of our industry engagement and contributions:

### Operating Principles for Impact Management

Impact Principles Signatory  
**BlackRock's Impact Principles**  
 Disclosure Statement

### Global Steering Group (GSG) for Impact Investment

Leadership Group Member

### Impact Management Project

Advisory Group Member & Impact  
 Frontiers Working Group Member

### The Global Impact Investing Network

Network Member  
 Listed Equities Working Group Member

### Impact Investing Institute

Founding Supporter  
 Advisory Council Member

### Ellen MacArthur Foundation

Circular Economy Research Partnership

### UN Global Compact

Member

### UN Principles for Responsible Investing (PRI)

PRI Signatory

### Green Bond Principles

Founding Member  
 Executive Committee Member

### Climate Action 100+

Member

### Task Force on Climate-related Financial Disclosures (TCFD)

Founding Member  
**BlackRock 2021 TCFD Report**

### Focusing Capital on the Long Term (FCLT)

Founding Member  
 Strategic Advisor



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**Featured video**

**Section 2: Our impact**

# Featured video

# Oak Street



Rising costs and poor quality of care are two of healthcare's most difficult challenges in the United States, especially for older adults. We're putting client's money to work by investing in a better healthcare system through organizations like Oak Street Health, a network of primary care centers for adults on Medicare with a mission of rebuilding healthcare as it should be. With more than 85 centers across 13 states, Oak Street Health's mission is working, and the company is improving health outcomes and closing health disparities in communities across the country, and creating a healthcare ecosystem that is good for patients, providers and society.

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# Our impact

Impact themes and solutions spotlight



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“

**Impact investing is the best form of capitalism contributing to a better future for our world.”**



**Jae Sung**  
Core Portfolio Manager

# Financial & digital inclusion

## A pathway out of poverty

The World Bank recognizes financial inclusion as a key enabler to reduce poverty and boost prosperity.<sup>1</sup> Unfortunately, affordable loans, insurance, savings accounts and digital payments are out of reach for about one-third of adults globally.<sup>2</sup> Women are disproportionately affected, exacerbating the barriers to economic opportunity and empowerment. Even worse, the unbanked are at higher risk for abusive, predatory lending that can trap them in a cycle of poverty. Affordable financial services also provide critical opportunities for small- and medium-sized enterprise (SMEs), which account for over 93% of businesses globally, and two-thirds of total employment in both developed and developing countries.<sup>3,4</sup>

In addition to financial inclusion, access to the internet is critical for economic and social inclusion, particularly for some individuals for whom the internet provides the only pathway to financial inclusion, education and other life-changing services. Globally, 40% of individuals still lack access to the internet.<sup>5</sup>

## Innovative solutions

We continue to believe solutions must be tailored to local needs. For instance, in regions where the infrastructure does exist for internet connectivity, challenges such as internet literacy, trust and safety can create barriers to adoption. We are invested in several companies that go beyond providing internet connectivity to offer literacy training, as well as mobile money services that reach underserved populations in emerging markets, including those in Kenya, Central and South America.

“

I<sup>3</sup> = Investing x Innovation x Impact”



**Robert Nuzzo**  
Chief Operating Officer  
for the Americas Fundamental  
Active Equities

For example, one of our portfolio companies in Brazil provides a digital wallet to help people who could not afford a traditional bank account obtain a free online account. We invest in companies that provide capital to micro-, small- and medium-sized businesses, which has been particularly important during the global pandemic that jeopardized the survival of thousands of entrepreneurs, especially those that are most disadvantaged. We continue to search for companies that help break down the barriers preventing underserved enterprises and individuals from being counted and included in our financial and social economy.

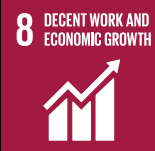
- 1 <https://www.worldbank.org/en/topic/financialinclusion/overview#1>, 2021. Accessed May 2022.
- 2 Demirguc-Kunt, A., Klapper, L., Singer, D., Ansar, S., Hess, J. Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution, 2018. 35
- 3 World Trade Report 2016: Levelling the Trading Field for SMEs. 2016. 13
- 4 Ibid.
- 5 <https://data.worldbank.org/indicator/IT.NET.USER.ZS>. Accessed May 2022.

## Solutions spotlight on Wise

Wise is a money transfer business whose mission is “to build money without borders: instant, convenient, transparent and eventually free.”<sup>1</sup> Wise delivers this by offering the lowest-cost remittance solution for transferring money.<sup>2</sup> By integrating its services with existing local payment systems across the world, Wise's low-cost structure and differentiated business model cuts the cost to transfer money to transfer money; on average, it's one-eighth the cost charged by leading traditional banks.<sup>3</sup> Wise customers include individuals supporting their families, parents paying school fees and business owners operating micro-, small-, and medium-sized enterprises. Such businesses are more vulnerable to the higher fees that traditional banks tend to charge for transactions. Wise helps smaller merchants lower their operational costs and allows them to manage their money like a local bank account, with the option of adding, receiving and holding money in local currencies.



- 1 Wise 2021 IPO Prospectus. 41
- 2 <https://wise.com/gb/pricing/>. Accessed May 2022.
- 3 Wise 2021 Annual Report. 12



**Target 8.3** - Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

Source: BlackRock applying UN SDGs and Targets, <https://sdgs.un.org/goals>.

Reference to the names of each company mentioned in this communication is merely for explaining the investment strategy and should not be construed as investment advice or an investment recommendation of those companies.

# Our framework for impact: Wise

## What

**Strategic goal: Improving access to and use of responsible financial services for historically underserved populations.**

- £54 billion processed in international payments volume in 2021. Wise customers have saved over £1 billion annually, compared with using a bank for the same transactions.<sup>1</sup>

## Who

- 10 million users in 30 different countries spending money in 176 countries.<sup>2</sup>

## How much

### Scale

- 700,000 new personal accounts and 100,000 new business accounts, equating to total new accounts of 800,000 new accounts.<sup>3</sup>
- 10 million customers around the world. Wise has 5.7 million active personal-account customers and more than 300,000 active business customers.<sup>4</sup>
- 1.6 million Wise debit cards issued and £3.7 billion in funds held in Wise accounts.<sup>5</sup>
- £54 billion processed in international payments volume.<sup>6</sup>

## Depth

- Active personal-account customers increased by 27% YoY and active business accounts increased by 58% YoY.<sup>7</sup>
- 29% increase YoY in cross-currency volume.<sup>8</sup>

## Contribution

Wise's low-cost structure and differentiated business model offers the lowest-cost remittance solution for transferring money, which, on average, is eight times cheaper than leading traditional banks.<sup>9</sup> Instant transfers comprise 38% of Wise's transactions, with 62% of those delivered within one hour and 83% delivered within 24 hours. This compares with the average two to five business days that traditional banks typically require to complete international transfers.<sup>10</sup>

## Risk

To continue to deliver impact, Wise must maintain low transaction fees for remittances. If transaction fees were to increase, this would reduce the affordability of Wise's remittance offering, negatively impacting its customers.

1 Wise 2021 Annual Report. 6  
2 Wise 2021 IPO Prospectus. 30, 41  
3 Wise Q1 2022 Trading Update. 4  
4 Wise 2021 Annual Report. 6, 20  
5 Wise 2021 Annual Report. 6

6 Wise 2021 Annual Report. 19  
7 Wise 2021 Annual Report. 20  
8 Ibid. 19  
9 <https://wise.com/gb/pricing/>. Accessed May 2022.  
10 Wise 2021 Annual Report. 9, 12



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# Education & skilling

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**Improving people’s lives through education has the power to change the world.”**



**Amanda Summers**  
Product Strategy Team

## Widening disparities

The global pandemic has exacerbated education inequality for the most vulnerable in every country. A year into the COVID-19 pandemic, children across the world had lost an average of 74 days of education each due to school closures and a lack of access to remote learning.<sup>1</sup> Unfortunately, many have lost access to learning altogether. Access to affordable, quality education is a critical step to helping everyone escape poverty, economic exclusion and social stigma. Approximately 17% of children and youth globally do not attend school.<sup>2</sup> Disparities in the global education system are often associated with disadvantages based on socioeconomic background, ethnicity, gender and/or disabilities. Any incremental progress toward closing the gap will help break the cycle of poverty that can endure over many generations. Even just one dollar invested in an additional year of schooling, particularly for girls, can generate earnings and health benefits of US \$10 for lower-income countries.<sup>3</sup>

## Investing in solutions

We invest in accessible and affordable solutions that create positive outcomes across the education sector, including online education services, tutoring programs, educator training opportunities and job training services. We also recognize that basic education is only the first step and needs to be paired with employment opportunities. These two forces together should fuel a material reduction in poverty and inequalities. We are invested in an innovative company that has created a marketplace connecting freelance workers with formal employment. This business model also empowers individuals with flexible work needs. In fact, more than half of its workforce comprises individuals with disabilities who cannot pursue a full-time job. Other freelancers include those who require flexible work options due to other commitments such as being a caretaker of children or the elderly. Our research also has found companies that provide post-secondary and vocational education programs for students in underserved communities, mainly in emerging markets. These programs include low-cost, distance-learning options, which have proven essential for continuing education during the pandemic.

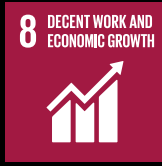
- 1 <https://www.savethechildren.org.au/media/media-releases/children-have-lost-more-than-a-third>
- 2 Global Education Monitoring Report, Inclusion and Education All Means All, 2020. 6
- 3 The International Commission on Financing Global Education Opportunity, The Learning Generation Investing in Education for a Changing World, September 2016.

## Solutions spotlight on APM Human Services International

APM Human Services is a multinational employment service provider with a focus on supporting jobseekers with mental-health challenges, disabilities, those emerging from the criminal justice system and veterans returning to civilian life. Alongside APM’s focus on employment services, the company also offers health and well-being support and connects government, insurance and corporate health programs to those in need. This service provides crucial care and empowerment for individuals who have physical, developmental, social or emotional challenges and their families. Operating in 800 locations, the company seeks to “empower people to realize their ambitions and aspirations through achieving sustainable employment and economic independence.”<sup>1</sup> We believe APM is unique in its service, scale and reach, which enables the company to drive improved sustainable employment outcomes in each of its locations.



1 APM Human Services International 2021 IPO Prospectus. 8



**Target 8.5** – By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Source: BlackRock applying UN SDGs and Targets, <https://sdgs.un.org/goals>.

Reference to the names of each company mentioned in this communication is merely for explaining the investment strategy and should not be construed as investment advice or an investment recommendation of those companies.

## Our framework for impact: APM Human Services International

### What

**Strategic goal: Improving earning and wealth through employment and entrepreneurship, particularly for disadvantaged and excluded groups.**

- Serving: 660,000 unemployed people, including helping over 290,000 gain sustainable employment; 180,000 people with disability, including 90,000 assisted with sustainable employment; 100,000 people with mental-health needs; 50,000 people emerging from the criminal justice system; and 30,000 veterans returning to civilian life.<sup>1</sup>

### Who

- APM supports jobseekers, people with disabilities, people with mental-health challenges, offenders and ex-offenders and veterans. APM's customers include international government agencies and departments at the local, state and federal level, employers and insurers. APM has a diversified customer base across its 10 countries, delivering more than 100 programs and serving over 150 contract regions.<sup>2</sup>

### How much

#### Scale

- Serving: 660,000 unemployed people, including helping over 290,000 gain sustainable employment; 180,000 people with disability, including 90,000 assisted with sustainable employment; 100,000 people with mental-health needs; 50,000 people emerging from the criminal justice system; and 30,000 veterans returning to civilian life.<sup>3</sup>
- In 2021, APM generated revenue of US \$1.02 billion.<sup>4</sup>

### Depth

- Compared to 2020, APM generated a 28% increase YoY in total revenue.<sup>5</sup>

### Contribution

Leader in delivery of disability employment services that support job seekers as they find and retain work.<sup>6</sup> The company helps secure better outcomes for job seekers, APM is one of the largest service provider with scale in a highly fragmented industry.

### Risk

Changes in priorities among various governmental policies could impede APM's ability to deliver consistent and better outcomes for disabled job seekers, as the majority of its business depends on government contracts.

1 APM Human Services International 2021 IPO Prospectus. 9

2 Ibid. 16-17

3 Ibid. 9

4 Ibid. 115

5 Ibid.

6 BlackRock Impact Team, May 2022

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“

**As the world transitions to a lower carbon economy, we can't ignore societal inequalities. That's why access to affordable food, housing and health care are essential in a world facing rising living costs.”**



**Caroline Brady**  
Product Strategy Team

# Public health

## Quality, access and lowering the cost curve

Before the COVID-19 pandemic, the world's medical system was already stretched by a scarcity of physicians in every region. In addition to the challenge of accessing basic health-care services, many of the world's poorest populations spend a disproportionate amount of their income on health care. In fact, since the pandemic, more than half a billion people have been pushed into – or further into – extreme poverty due to high health-care costs.<sup>1</sup>

## Investing in solutions

To improve patient outcomes and access to affordable health care, we focus on key themes within public health. Because high costs often create an impediment to receiving basic health services, we seek to invest in companies that lower the cost curve in the health-care system. We have found effective business models like telemedicine services and tools that improve physicians' productivity while lowering administrative costs.

Elsewhere in the health-care sector, we focus on next-generation treatments of major diseases like cancer and Alzheimer's. We also seek companies that provide innovative diagnostics tools and state-of-the-art medical equipment that lead to better health-care prognoses and services. We are encouraged by the amount of continuous innovation we see in health care, as well as the strong collaboration among governments, the private sector and health-care practitioners. As evidenced by the COVID-19 pandemic, such collaboration is key to solving public-health issues.

<sup>1</sup> <https://www.who.int/news/item/12-12-2021-more-than-half-a-billion-people-pushed-or-pushed-further-into-extreme-poverty-due-to-health-care-costs>. Accessed June 2022.

# Solutions spotlight on Cano Health

Through its culture and technology-powered platform, Cano Health operates innovative, values-based, primary-care centers focused on effective patient outcomes for seniors. Cano not only brings personalized health care to each patient but also focuses on delivering holistic care. Cano's services cater to local culture, languages and needs, enabling it to attract new patients and drive better patient outcomes. Our team conducted a site visit and found the culture to be very accommodative and friendly toward patients, building a healthy and supportive sense of community while delivering basic health care.

Compensation for Cano's health-care providers is aligned with patient outcomes, resulting in positive results that include lower mortality rates, significant reduction in emergency room visits and superior clinical results at reduced costs.<sup>1</sup>

1. Cano Health 2021 J.P Morgan Healthcare Conference Presentation. 8.



**Target 3.8** – Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

Source: BlackRock applying UN SDGs and Targets, <https://sdgs.un.org/goals>.

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# Our framework for impact: Cano Health

## What

**Strategic goal: Increasing access to medical diagnostics.**

- Around 227,000 members supported by Cano Health.<sup>1</sup>

## Who

- Supporting Medicare and Medicaid patients, of which 80% are minorities, with 130 medical centers in 40 markets across eight U.S. states and Puerto Rico.<sup>2</sup>

## How much

### Scale

- Around 227,000 members supported by Cano Health.<sup>3</sup>
- A 23% reduction in hospital admissions, 52% reduction in ER visits and 60% reduction in mortality rate.<sup>4</sup>

### Depth

- Since Q4 2020, Cano Health has added approximately 121,000 members.<sup>5</sup>

1 Cano Health J.P Morgan Healthcare Conference Presentation. 11

2 Ibid. 3.

3 Ibid. 11.

## Contribution

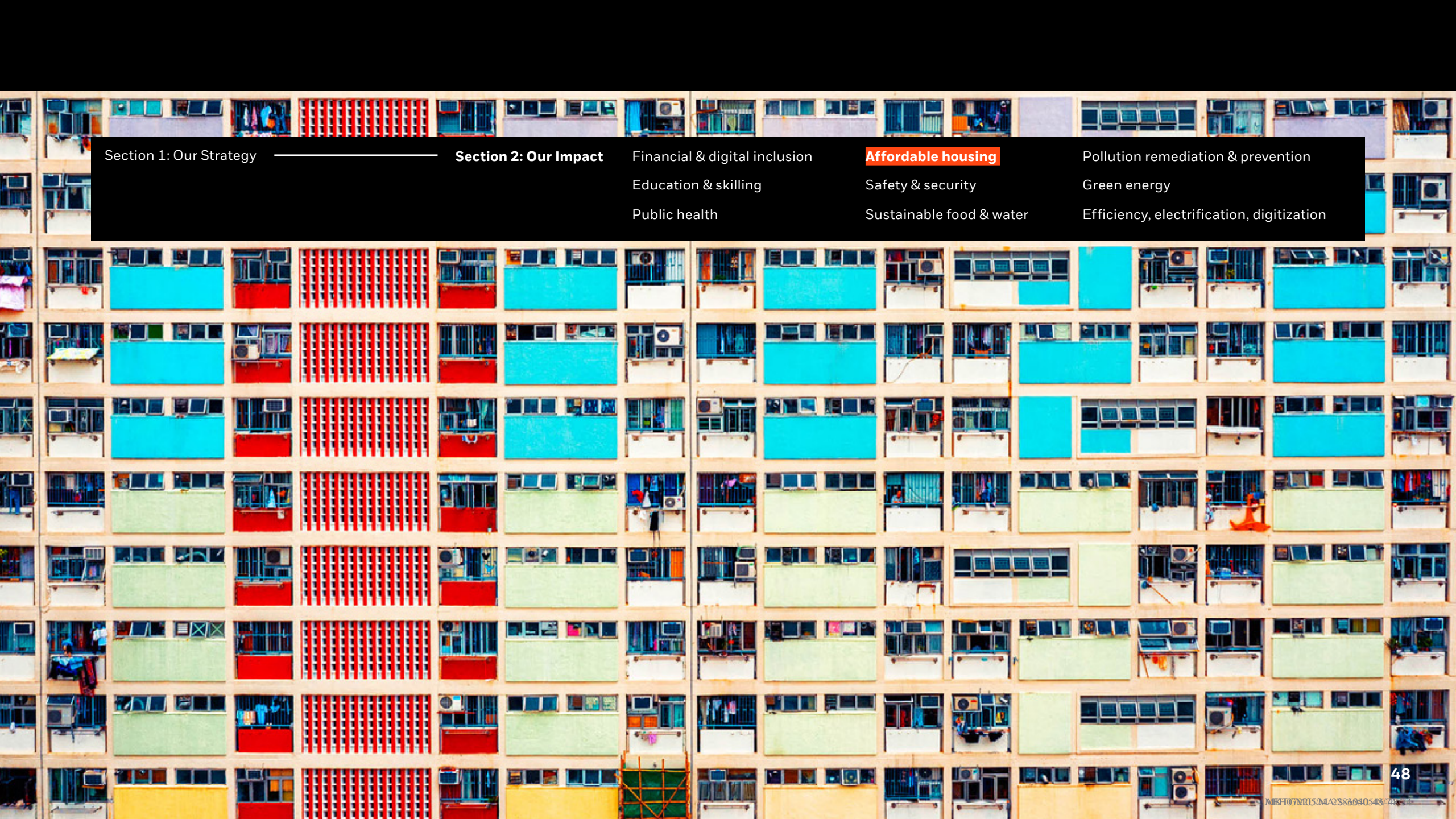
Cano's effective business model brings personalized health-care services to seniors. In addition, Cano's proprietary technology platform and service culture caters to local culture, languages and needs, enabling it to attract new patients and drive better patient outcomes.

## Risk

Scaling quickly increases the risk that the company will not be able to attract the right physicians, those who can continue to drive the company's impact and aid in improved health-care outcomes of their members. Successful impact also depends heavily on patient engagement.

4 Ibid. 8.

5 Ibid. 11.



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# Affordable housing

“

**Impact investing gives you a chance to invest in the world's transition to a more sustainable tomorrow without giving up the opportunity for positive financial returns.”**



**Yutaka Naito**  
Head of BlackRock Sustainable Investing, Japan

## Homelessness during the pandemic

The impact of the COVID-19 pandemic continues to reverberate around the world. Before the pandemic, 1.6 billion people around the world lacked access to basic shelter and one-quarter of the global population lived in informal settlements.<sup>1</sup> This global challenge has only been exacerbated by COVID, such as the number of people living in temporary accommodation in the UK being the highest in 14 years.<sup>2</sup> Those living in inadequate housing also experience other inequalities, such as lack of “access to basic services, work and education opportunities.”<sup>3</sup> Amid the increasing lack of affordable housing, house prices continue to rise around the world. “The last half of 2020, and the first half of 2021[...] in America, prices rose by 11% during the period, the fastest pace in 15 years.”<sup>4</sup> The need to provide safe homes that are also affordable remains paramount.

## Innovative solutions

We believe both the private and public sectors must mobilize to invest in goods, services and empowerment programs for those experiencing homelessness, easing their path toward a better life. In addition to investing across various stages in the affordable housing market, we engage directly with companies, recommending strategies that can enhance their business and impact in local communities.

- 1 <https://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2019/07/UN-Habitat-June-2019-%E2%80%933rd-UN-Decade-for-the-Eradication-of-Poverty-2018-2027.pdf>. Accessed February 2022.
- 2 Shelter. Homeless and Forgotten: Surviving lockdown in temporary accommodation. 2020. 6
- 3 Ibid.
- 4 <https://www.worldfinance.com/infrastructure-investment/solving-the-global-housing-crisis>. Accessed February 2022.

# Solutions spotlight on Katitas

In Japan, a declining population and migration to major cities have resulted in stalled economic growth and abandoned communities in rural areas. In addition, an undersupply of affordable housing – particularly surrounding major cities – creates a significant barrier for lower-income families to secure a home. To address these challenges, real estate company Katitas has been deploying an innovative business model throughout Japan.

The company purchases deteriorating homes – many of them abandoned – remodels and then sells them to lower-income households at a fraction of the cost of buying a new home or even renting an apartment. By rehabilitating these empty and dilapidated houses, called "akiya" in Japanese, the company can offer quality affordable homes and contribute to reviving failing communities. In recognition of its successful business model, the company in 2017 won the Porter Prize, which recognizes outstanding Japanese companies that enhance the competitiveness of the country's industries.<sup>1</sup>

1 <https://katitas.jp/en/information/story.html>, <https://www.porterprize.org/english/pastwinner/2017/>. Accessed February 2022



**Target 11.1** – By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

Source: BlackRock applying UN SDGs and Targets, <https://sdgs.un.org/goals>.

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# Our framework for impact: Katitas

## What

### Strategic goal: Increasing housing affordability.

- JPY 15.0 million average sale price of a Katitas home, compared with JPY 28.4 million, the average market value for a new, single-family home in a rural area.<sup>1</sup>
- Monthly mortgage payment average JPY 42,381 versus JPY 80,217 for a new, single-family home in a rural area.<sup>2</sup>

## Who

- Households with an annual income of JPY 2 million to JPY 5 million.<sup>3</sup>

## How much

### Scale

- Over 6,155 single-family, detached homes sold in the second-hand residential housing market.<sup>4</sup>

### Depth

- 6% YoY increase in the number of single-family, detached homes sold.<sup>5</sup>

1 Katitas 2021 ESG Report. 13

2 Ibid.

3 Katitas 2021 ESG Report. 12

## Contribution

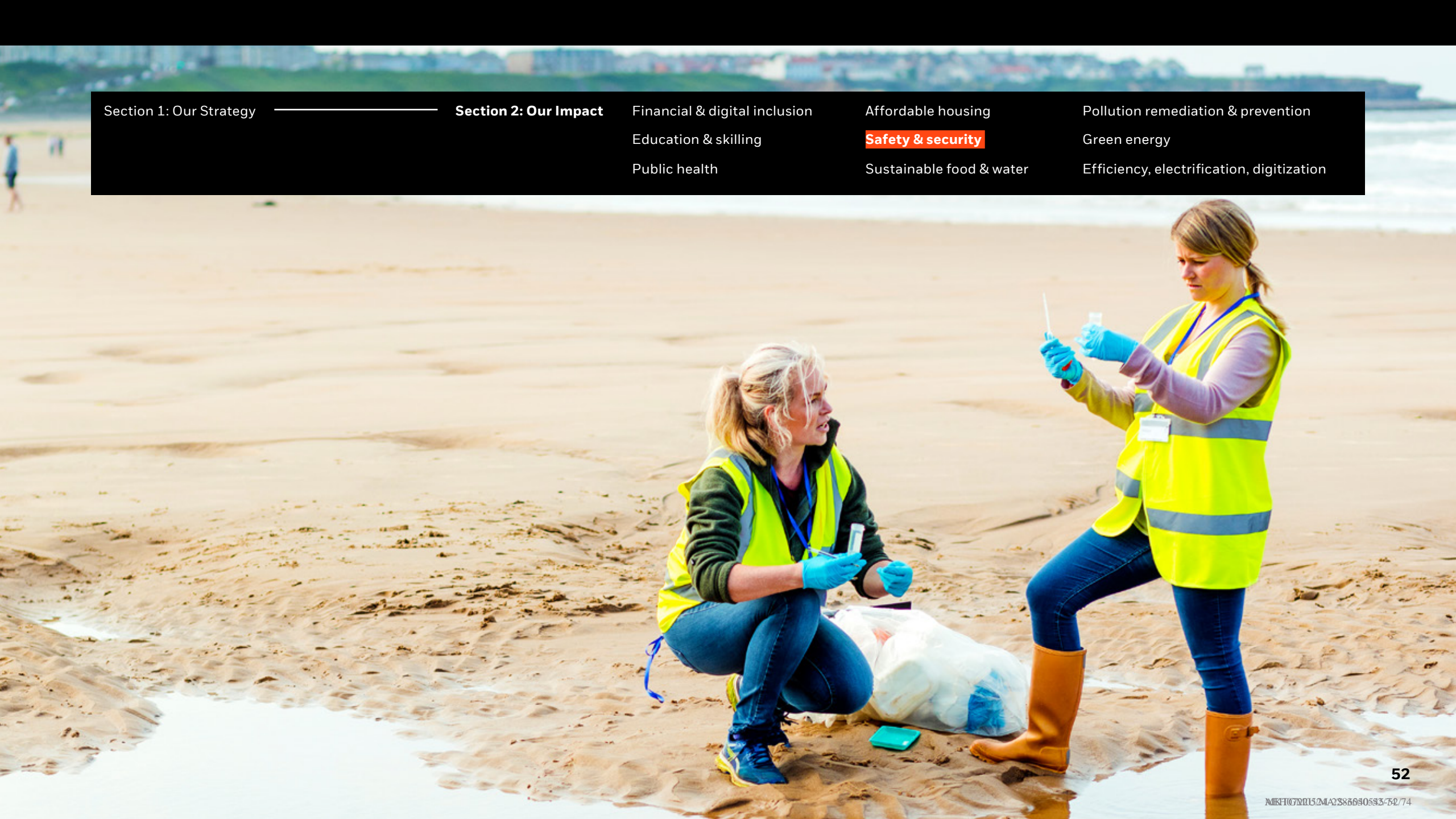
Katitas offers a unique value proposition with its business model of providing affordable repurposed housing at scale in Japan.

## Risk

As Katitas restores homes, workplace safety is a material risk during the renovation process. The company has health and safety policies and practices in place to protect its employees and contractors.

4 Katitas 2021 Results Presentation. 7

5 Ibid.



# Safety & security

## Cyber security, workplace and personal safety

A sustainable future is not possible without safety and security. The need for protection across various aspects of our lives reflects different points of vulnerability in our daily activities. Often hidden from view is the fact that motor-vehicle-related injury is the No. 1 cause of preventable death in the world, accounting for almost twice the number of deaths than the second leading cause of preventable deaths, falls.<sup>1</sup> Another rising vulnerability is cybercrime, particularly as individuals, businesses, governments and other entities increase their presence on the internet. For private medical records, intellectual property and other sensitive data, staying on top of cybertheft is increasingly challenging. According to the Allianz Risk Barometer, cybercrime is the most important global business risk in 2022. It has increased significantly, by 44%, since 2021.<sup>2</sup>

## Innovative solutions

Protecting our personal data, intellectual capital and government systems is paramount to ensuring functional societies and healthy economies. Among cybersecurity services for individuals, we focus on companies that specialize in personal identity protection, helping individuals with all stages of this protection – from prevention and monitoring to navigating an action plan once theft has occurred. For businesses, we focus on solutions that help small- and mid-sized enterprises. Often, these enterprises have limited information technology (IT) resources. In addition, for businesses that rely heavily on human capital, we strategically engage on human capital management policies and processes. Within workforce safety, we favor solutions that improve workers' physical safety, such as equipment that reduces the strain and risk of heavy lifting, as well as services that provide critical communication channels for employees during emergencies or unexpected disruption of business. Within our personal safety impact theme, for example, we have found companies whose innovative technology and services reduce human error and mitigate automotive-related injuries and death.

- 1 <https://injuryfacts.nsc.org/international/international-overview/>. Accessed May 2022.
- 2 Allianz Risk Barometer 2022. 4

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**The world is changing rapidly. We are committed to solving social issues in a changing world through the power of investment.”**



**Chieko Iriyama**  
Product Strategy Team

## Solutions spotlight on Aptiv

Aptiv is a global technology leader and provider of electrical hardware components and software for electric and autonomous vehicles, as well as for traditional combustion-engine vehicles. The company is at the forefront of technology that enhances vehicle safety by integrating advanced driver assistance systems (ADAS), among other interventions that reduce human error. Aptiv has designed adaptive and flexible solutions that allow wider adoption of its technology. In fact, Aptiv's technology can be found in 25 of the largest automotive manufacturers' vehicles, supporting wider efforts to improve vehicle safety.<sup>1</sup>

Along with improving vehicle safety, Aptiv's smart architecture technology optimizes a vehicle's use of energy by using the wiring structure inside the vehicle to efficiently move power through it, among other technological and structural solutions. By improving the energy efficiency of vehicles, Aptiv is supporting global efforts to reduce the carbon footprint of the automotive industry.

- 1 Aptiv 2021 Annual Report. 5



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**Target 3.6** – By 2030, halve the number of global deaths and injuries from road traffic accidents.



**Target 7.3** – By 2030, double the global rate of improvement in energy efficiency.



**Target 11.2** – By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

Source: BlackRock applying UN SDGs and Targets, <https://sdgs.un.org/goals>.

## Our framework for impact: Aptiv

### What

**Strategic goal: Enhance vehicle safety and provide technology to support power and data transmissions in vehicles.**

- One of the world’s largest vehicle technology providers, whose customers include the 25 largest automotive original equipment manufacturers. Company’s technology can be found in 19 of the 20 top-selling vehicle models in the U.S., in 19 of the 20 top-selling vehicle models in Europe and in 14 of the 20 top-selling vehicle models in China.<sup>1</sup>

### Who

- Products and services are sold to global original equipment manufacturers (OEMs).<sup>2</sup>

### How

#### Scale

- Aptiv ships, on a daily basis, more than 90 million components, with 2 million different parts.<sup>3</sup>
- Total revenue in 2021 of US \$16 billion, of which \$12 billion was generated from the

Signal & Power Solutions division, \$4 billion was generated from Advanced Safety & User Experience. Other Aptiv divisions generated an additional \$36 million.<sup>4</sup>

### Depth

- Total revenue increased by 20% YoY, with a 22% increase YoY in Signal & Power Solutions and a 14% increase YoY in Advanced Safety & User Experience division revenue.<sup>5</sup>

### Contribution

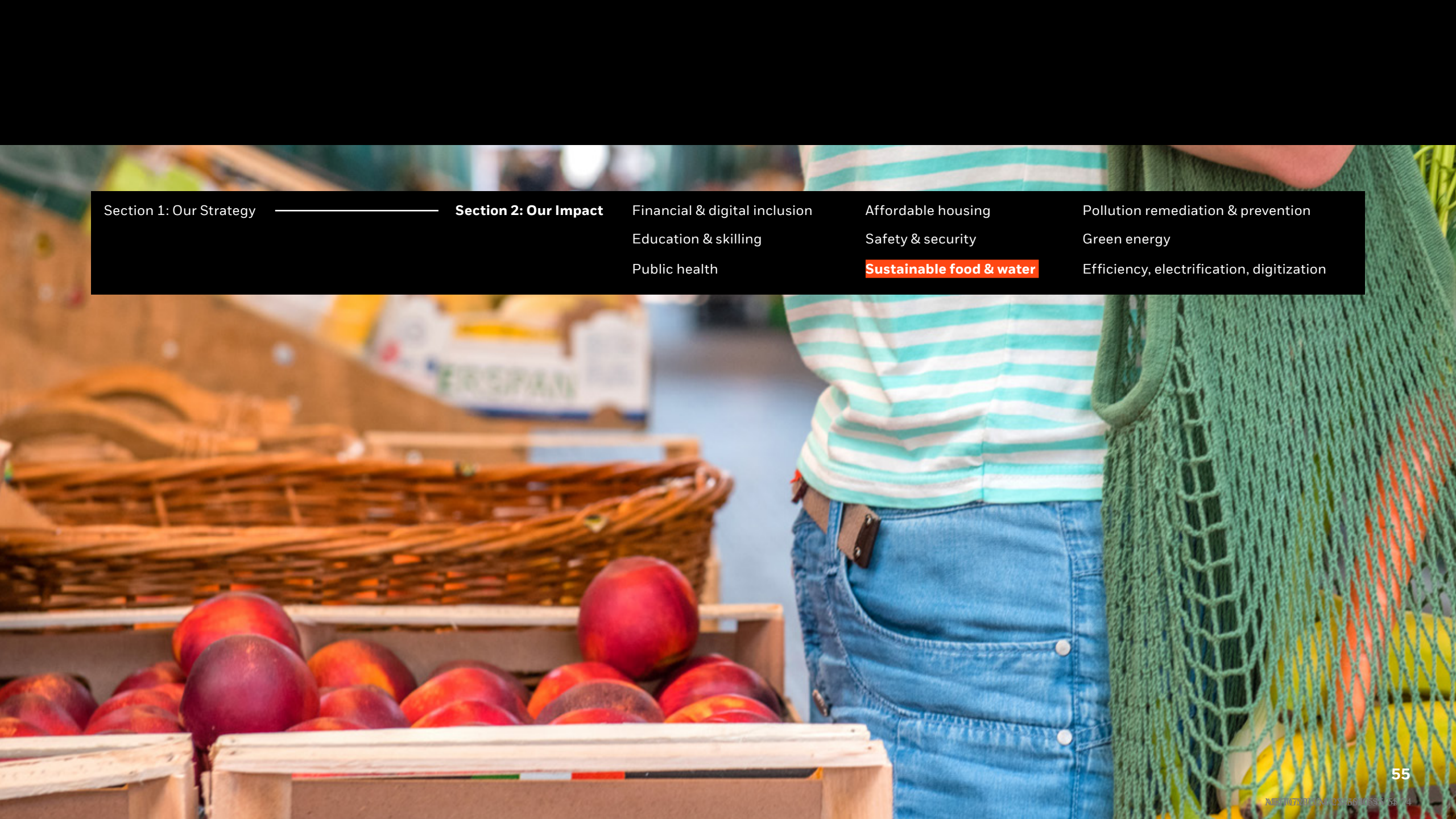
Aptiv is a global leader on the forefront of technology that enhances vehicle safety as well as efficient power and data transmission throughout vehicles.

### Risk

Supply constraints on materials can impede Aptiv's manufacturing, delaying the delivery of key components for automotive production and safety.

1 Aptiv 2021 Annual Report. 5  
 2 Aptiv 2021 Annual Report. 9  
 3 Aptiv 2021 Sustainability Report. 22

4 Aptiv 2021 Annual Report. 45  
 5 Ibid.



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**Sustainable food & water**

Efficiency, electrification, digitization

# Sustainable food & water

“

**In our complex world, it is easy to lose focus and try to solve everything at once, or to simply zoom into an issue and forget how it is related to many others. We need impact investing to find the solutions that will go beyond the status quo and then, measure their progress.”**



**Anne Rolim**  
Fundamental Equities Sustainable  
Investment Research Team

## Food and water insecurity

We urgently need to solve for the security of the world's food supply and clean water. Before the pandemic, approximately 8.9% of the global population faced hunger, with women bearing a disproportionately higher level of food insecurity than men.<sup>1</sup> Incremental progress made over time quickly was reversed due to effects of the pandemic, so an estimated 30 million more people are projected to suffer from hunger and malnutrition.<sup>2</sup> Compounding this challenge, our global water supply continues to be under stress, with aging water infrastructure, leakages and water-main breaks resulting in the wasteful loss of clean drinking water. In 2020, approximately one in four people did not have access to safe drinking water in their household.<sup>3</sup>

## Investing in solutions

We can invest in resilient water infrastructure by supporting companies providing modern equipment and smart water technology that detects leaks, tests water quality and gathers advanced data analytics. Such capabilities enable utility companies and local municipalities to manage the full cycle of water efficiently. When it comes to the global food supply chain, we invest in companies serving various roles, such as increasing food production efficiency, providing alternative sources of protein and giving greater access to affordable, healthy foods.

- 1 UN Food and Agricultural Organization (FAO), The State of Food Security and Nutrition in the World, 2020, 3. <https://www.unicef.org/media/72676/file/SOFI-2020-full-report.pdf>, .8
- 2 UN Food and Agriculture Organization (FAO). The State of Food Security and Nutrition in the World 2021, 2. [https://www.fao.org/3/cb4474en/online/cb4474en.html#chapter-2\\_3](https://www.fao.org/3/cb4474en/online/cb4474en.html#chapter-2_3)
- 3 <https://www.who.int/news/item/01-07-2021-billions-of-people-will-lack-access-to-safe-water-sanitation-and-hygiene-in-2030-unless-progress-quadruples-warn-who-unicef>

## Solutions spotlight on Genus

Genus is an animal genetics company whose mission is to help farmers breed healthier livestock that produce more milk and protein.<sup>1</sup> Based on its proprietary research and data library of bovine and porcine genetic information, Genus can identify genetic characteristics such as reduced susceptibility to disease and higher fat or protein content. By selling best-of-breed semen, embryos and livestock, Genus helps dairy and livestock farmers raise healthier animals that deliver improved yields. Operating in 75 countries, Genus' non-transgenic means of selective breeding helps address food scarcity.

Genus also aims to reduce emissions by driving porcine and bovine genetic developments that improve feed efficiency, which reduces the feed required per animal without impacting the productivity of the animal, leading to a reduction in emissions.<sup>2</sup> According to the Food and Agriculture Organization of the United Nations (FAO), that type of scientific breeding is key to increasing productivity with "improved husbandry practices [that] can reduce emissions by 20 to 30%."<sup>3</sup>

The Global Impact team believes, the company's technology and research and development programs firmly place Genus as an industry leader. For instance, its pioneering PRRSv CRISPR program, developed jointly with the Roslin Institute, an animal sciences research institute, aims to prevent the devastating PRRSv infection in pigs by editing a specific gene so that the animals lack the cell receptor to which the virus attaches.<sup>4</sup>



1 Genus website, <https://www.genusplc.com/about-us/at-a-glance/>  
2 Genus 2020 Climate Change Policy, 2019: 1.  
3 UN FAO, Livestock Solutions for Climate Change, 2017: 4.  
4 Genus 2020 Annual Report. 29.





**Target 2.1** – By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.

Source: BlackRock applying UN SDGs and Targets, <https://sdgs.un.org/goals>

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## Our framework for impact: Genus

### What

**Strategic goal: Support farmers in increasing their livestock's productivity and improve food security.**

- Completed 24 million cattle inseminations and embryo transfers in 2021 and delivered 190 million pigs from clients' operations.<sup>1</sup>

### Who

- Globally, served more than 50,000 beef and dairy farmers and more than 2,000 pork farmers.<sup>2</sup>

### How

#### Scale

- 24 million cattle inseminations and embryo transfers completed in 2021 and delivered 190 million pigs from clients' operations.<sup>3</sup>

#### Depth

- 14% YoY increase in the number of cattle inseminations and embryo transfers completed compared with 2020.<sup>4</sup>

- Genus case study of 149 calves from six sires showed a strong correlation between genetic quality and greenhouse gases, with reduction improvement of 11% of the highest genetic level per kilogram of protein.<sup>5</sup>

### Contribution

Genus delivers additionality through its pioneering genetic technology and research, as evidenced by its PRRSv resistance program.

### Risk

A risk inherent with genomic editing is not being able to continue developing pioneering technologies while still upholding high ethical and operational standards. In addition, we remain committed to avoiding investment in transgenic food. While Genus has a gene editing program, its work does not include transgenics (the transplanting of genes from another species).

1 Genus 2021 Annual Report. 11.

2 Ibid. 5.

3 Ibid. 11.

4 Genus 2021 Annual Report. 11; Genus 2020 Annual Report. 5.

5 Genus 2021 Annual Report. 39.

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“

**Our ability to allocate capital where it matters the most through impact investing gives me peace of mind. The global economy can't thrive in the long-run while ignoring its most pressing social and environmental challenges. Converting these into attractive investment opportunities is the best possible outcome.”**



**Adam Kovacs**  
Product Strategy Team

# Pollution remediation & prevention

## The toll from pollution

The extraordinary amount of waste produced by humans, including plastic waste, is endangering the ecosystem in which we live – and is expected to get worse. It is estimated that 1 million marine animals are killed annually by plastic pollution and that humans eat over 40 pounds of plastic in our lifetime.<sup>1</sup> In terms of challenges we create with other types of waste, municipal solid waste decomposes in landfills for decades, releasing toxic greenhouse gas (GHG) and leaching hazardous chemicals into the ground over time. This contributes to increased air and water pollution and increases the demand to find solutions to remediate pollution. Unless we change our manufacturing, consumption and waste-disposal patterns, the byproducts of our actions will lead us toward an unsustainable habitat. Waste and pollution constitute a highly complex problem that requires multi-faceted solutions.

## Investing in solutions

We are encouraged by seeing significant efforts to reduce and eliminate waste at different points in the pollution cycle. From avoiding plastic altogether by using plastic-free alternatives to the development of biodegradable plastics and implementing recycling initiatives, these all contribute to solutions that are scalable. Recycling is one important step in mitigating environmental damage, but far too many communities lack the infrastructure to support widespread recycling and waste reduction. We seek to invest in companies that remove such barriers, including reverse vending machines that support deposit-return plans.

Among other encouraging initiatives, we see increased focus on the development of alternatives, such as plastics made from seaweed, corn and other biodegradable alternatives, representing a nascent but growing area of scientific research and investable opportunity. Ultimately, we want to see significant progress toward a closed-loop, circular economy in which the byproducts of our manufacturing are reused and recycled. We continue to collaborate with our Circular Economy Investment Team, which has an exclusive research partnership with the Ellen MacArthur Foundation, widely recognized as the world's leading think tank on the circular economy, to investigate new ideas in this promising area of the sustainable investing ecosystem. We also continue to favor waste-to-energy companies that aim to achieve zero waste by processing waste, recycling discarded metals and other materials and significantly reducing landfill use.

1 <https://plasticoceans.org/the-facts/>. Accessed May 2022.

## Solutions spotlight on Umicore

Umicore is a global materials technology and recycling company focused on developing sustainable solutions to reduce harmful emissions, power vehicles and improve the circularity of metals. Through its technology, Umicore enables the recycling of more than 20 different metals derived from 200 different raw materials.<sup>1</sup> This capability helps close the sustainability loop in various industries and prevents our limited natural resources materials from being sent to landfill.

As well as reducing waste pollution, Umicore accelerates clean mobility in the global transportation industry, helping to reduce the release of harmful pollutants and meet global emission-reduction targets. Its emission-control catalysts for vehicles filter, capture and convert harmful gases, preventing air pollution. Umicore is focused on supporting the growth of electric vehicles and specializes in the production of cathode materials found in the lithium-ion batteries of electric vehicles. The company continues to innovate with research & development (R&D) efforts on the next generation of solutions in the prevention, reduction and recycling of essential materials used to develop a sustainable future in transportation.

1 <https://www.umicore.com/en/about/recycling/>. Accessed May 2022.



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**Target 11.2** - By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.



**Target 12.4** - By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.



**Target 12.5** - By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Source: BlackRock applying UN SDGs and Targets, <https://sdgs.un.org/goals>.

# Our framework for impact: Umicore

## What

**Strategic goal: Improve resource efficiency and support the adoption of emission control technologies and electric vehicle batteries to reduce pollution.**

- Umicore serves 12,500 global customers, helping to reduce harmful emissions, power vehicles and improve the circular economy of metals.<sup>1</sup>

## Who

- Umicore is a global company with a presence in Asia, Europe, North America, South Africa and South America to serve its broad range of customers that are located in 101 countries.<sup>2</sup>
- Umicore's catalyst business serves the automotive, manufacturing, hydrogen production, power and propulsion, chemical, electronics and pharmaceuticals industries.<sup>3</sup>
- Its energy & surface technology business enables the transition to electromobility and is also used in applications including portable electronics, energy storage and power tools, as well as a multitude of applications in both chemical and powder metallurgy, electronics, semiconductor, automotive, optics and jewelry industries and thermal imaging and opto-electronic applications.<sup>4</sup>
- The company's recycling business addresses a wide range of waste streams and industrial residues. Its operations also extend to the production of jewelry materials, including recycling services and chemical, electric, electronic, automotive and special glass applications.<sup>5</sup>

## How

### Scale

- Umicore can recover 28 precious and non-ferrous metals from sources including industrial residues, used electronic scrap, batteries, automotive and industrial catalysts and fuel cells.<sup>6</sup>
- Umicore serves 12,500 customers.<sup>7</sup>
- In 2021, Umicore spent EUR 245 million on R & D.<sup>8</sup>

## Depth

- Compared with 2020, Umicore's 2021 R&D spending increased by 10% YoY.<sup>9</sup>
- Umicore's electric mobility products and recycling services from 2016 through 2020 avoided production of an estimated 35 million metric tons of CO2 equivalent.<sup>10</sup>
- Approximately 24 million metric tons of GHG emissions were avoided over five years.<sup>11</sup>

## Contribution

Umicore is a leader in recycling complex waste streams that recover precious metals and limited natural materials. For instance, Umicore has recovered over 900 kilograms of copper from 100.000 end-of life handsets, preventing the copper from being sent to landfill.<sup>12</sup> In addition, Umicore is a global leader in emission-control catalysts for light-duty and heavy-duty vehicles and all fuel types, aiding in the reduction of air pollution.

## Risk

Umicore is a world leader in cobalt products, used in many applications, from tooling to rechargeable batteries for electric cars. Generally, the cobalt mining industry historically has been tainted with slave labor. To directly address this, Umicore introduced a Sustainable Procurement Framework for cobalt with an external validation process for ethical procurements and due-diligence process conducted through an annual third-party audit.<sup>13</sup>

1 Umicore 2021 Annual Report. 12, 72

2 Umicore 2021 Annual Report. 36

3 Ibid.

4 Umicore 2021 Annual Report. 36-37

5 Umicore 2021 Annual Report. 37

6 Umicore 2021 Annual Report. 9

7 Umicore 2021 Annual Report. 72

8 Umicore 2021 Annual Report. 40

9 Ibid.

10 Ibid. 73

11 Ibid.

12 <https://www.umicore.com/en/about/recycling/>. Accessed May 2022.

13 Umicore 2021 Annual Report. 67

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# Green energy

## Urgent and disruptive transformation

In our transition to net-zero, a world where we emit no more carbon dioxide than we remove from the atmosphere, we recognize that different parts of the global economy are transitioning at different speeds. As expressed in Chairman and Chief Executive Officer Larry Fink's 2022 annual letter to CEOs, BlackRock is asking companies to set short-, medium-, and long-term targets for reducing GHG and to issue reports consistent with the Task Force on Climate-related Financial Disclosures (TCFD).<sup>1</sup> These practices provide essential tools for understanding where a company is in its journey and its ability to adapt for the future. Our global transition requires not only the development of breakthrough technologies, but also help for companies navigating the way they transform legacy business models.

As we transition, we believe it's critical to recognize that in some parts of the world, millions of people lack basic access to energy, electricity and heat, conditions that perpetuate many inequalities. The path to net-zero must help secure universal access to energy, which we believe is possible with strong participation from both the private and public sectors.

## Investing in solutions

In our quest to invest in transformative technology and innovative business models, we look for businesses that drive the reduction in costs of renewable technology, leading to wider adoption and demand for green energy. We are invested in a company that has developed the technology to cut solar wafers thinner, which contributes to cost and scale benefits. We also seek renewable energy companies with large-scale operations. One such company is a global leader in offshore wind. In addition to its market-leading position in that realm, the company also operates onshore wind farms, solar farms, energy storage facilities and bioenergy plants. We continue to research emerging technologies, such as large-scale renewable batteries and low-cost energy storage solutions, which have tremendous potential to create impact by providing a power source for people without basic access to energy and storing the power generated by intermittent renewable sources.

1 <https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter>. Accessed May 2022.

“

**When value and values align, every dollar invested becomes so much more meaningful.”**



**Max Zamor**  
Product Strategy Team

“

**Impact investing is considering all stakeholders, and enriching everyone in the process.”**



**Rahma Safraoui**  
Investment Team

## Solutions spotlight on Ørsted

Ørsted is a renewable-power developer that is a first mover in the offshore wind industry. As an integrated utility company, Ørsted also operates other renewable assets, including onshore wind energy and bioenergy. The company's own transformation from a carbon-intensive business to an industry leader in renewable energy provides a journey of transformation and commitment to the global energy transition and a lower-carbon world. Ørsted now has 13GW of installed capacity, including the world's largest operating wind farm, with 174 turbines and 1.218MW capacity.<sup>1</sup> In 2021, the company avoided 15.1 million metric tons of emissions.<sup>2</sup>

Ørsted's innovation has reduced the price of offshore wind, as the company is able to generate renewable electricity to a price per megawatt hour that is lower than newly built fossil-fuel power generation. As our chairman and CEO noted, "bringing down [the] green premium will be essential for an orderly and just transition."<sup>3</sup> A just transition ensures that no one is left behind in global efforts to move to a lower-carbon economy.

1 Ørsted. Our green business transformation. What we did and lessons learned. 6  
2 Ørsted 2021 Annual Report. 10  
3 Larry Fink. Larry Fink's 2022 Letter to CEOs.



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**Target 7.2** – By 2030, increase substantially the share of renewable energy in the global energy mix.



**Target 13.1** – By 2030, strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

Source: BlackRock applying UN SDGs and Targets, <https://sdgs.un.org/goals>

## Our framework for impact: Ørsted

### What

**Strategic goal: Mitigating climate change through clean energy.**

- Through the production of renewable energy, 15.1 million metric tons of emissions were avoided in 2021.<sup>1</sup>

### Who

- Ørsted serves customers in the U.S., U.K., continental Europe and Asia-Pacific regions.<sup>2</sup>

### How much

#### Scale

- 15.1 million metric tons of emissions avoided in 2021.<sup>3</sup>
- 13 GW of installed renewable capacity.<sup>4</sup>

#### Depth

- 15% increase YoY in emissions avoided.<sup>5</sup>
- 15% increase YoY in installed renewable capacity.<sup>6</sup>

### Contribution

Ørsted is the first mover and largest player in the offshore wind market, driving the adoption of wind energy globally and helping forge a path toward net-zero.

### Risk

Operationally, higher wind speeds and salt damage could impact Ørsted’s offshore wind turbines, reducing their energy-generation capability. To help mitigate such risks, Ørsted evaluates extreme weather conditions when designing and building wind turbines in an effort to reduce disruption to power generation.<sup>7</sup>

1 Ibid. 10

2 Ibid. 11

3 Ibid. 10

4 Ibid.

5 Ibid.

6 Ibid.

7 Ibid. 34



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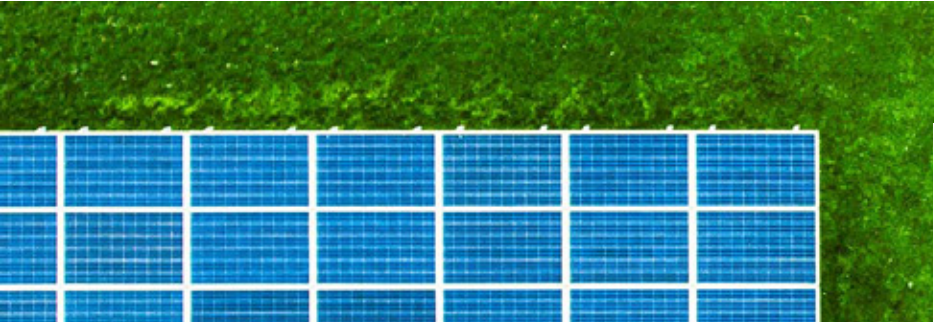
Safety & security

Sustainable food & water

Pollution remediation & prevention

Green energy

**Efficiency, electrification, digitization**



# Efficiency, electrification, digitization



**It's never too late to start your sustainability journey. Global Impact provides a pathway for our clients to step in the right direction, without sacrificing returns."**



**Tassie Brakenridge**  
Product Strategy Team

## Intensifying strain on limited resources

A daunting imbalance is compounding due to rising global demand for the world's natural resources amid limited supply. In addition, the world's electricity infrastructure continues to age, with legacy operations that are not only limited and inefficient but also vulnerable to failure, particularly under severe weather. The need to improve our efficient use of natural resources is acute in both energy and clean water. Climate change is expected to exacerbate water stress in all regions of the world, while aging water infrastructure continues to experience wasteful leakage, as well as water-main breaks.

## Innovative solutions

To preserve our natural resources while building a resilient future, we need to invest significantly across different points of the consumption chain. We must upgrade old infrastructure, eliminate water leakage, improve the efficiency of our electric grid and adopt smart technology, which ultimately will enable cities and towns to manage efficient and resilient systems. While sourcing our energy supply from clean energy would be ideal, most of our electric power is still sourced from fossil fuels; therefore, the more efficiently we use electricity, the less we contribute to the use of fossil fuels that contributes to greenhouse gas (GHG) emissions. We see investible solutions in smart metering technology, advanced data analytics, efficient network management and integrating advanced sensors and devices in many applications across local municipalities and building infrastructure.

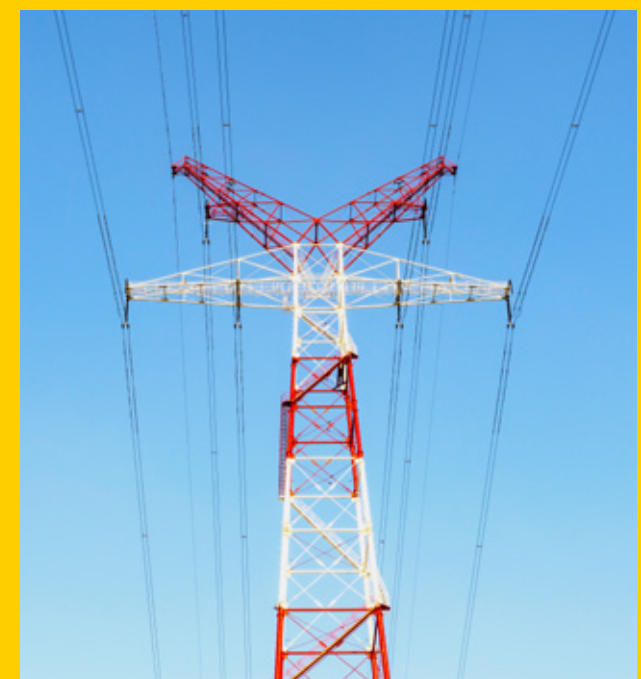
## Solutions spotlight on Schneider Electric

Schneider Electric is a global leader providing energy efficiency and automation technology and services. The company's integrated solutions are used to improve electrification, digitalization and energy efficiency in buildings, homes, data centers and infrastructure operations, among other applications. Such activities advance our progress toward a sustainable future by enabling companies to lower their carbon footprint, manage their energy use efficiently and help the world transition to a lower-carbon economy.

Schneider Electric delivers a wide range of products that enable safety, reliability, efficiency, sustainability and connectivity for businesses. The company continuously innovates to deliver solutions such as their EcoStruxure, Internet of Things (IoT)-enabled, platform, which is a digital solution that collects and analyzes data, increases connectivity and enables customers to make informed real-time decisions while improving the efficiency of their operations.

The company's stated purpose is "...to empower all to make the most of our energy and resources, bridging progress and sustainability for all."<sup>1</sup> The company was recognized by media and company sustainability performance researcher Corporate Knights as the most sustainable corporation in 2021 and was included in the 2021 Carbon Clean 200 list.<sup>2,3</sup>

- 1 <https://www.se.com/us/en/about-us/company-purpose/>. Accessed May 2022.
- 2 <https://www.se.com/ww/en/about-us/newsroom/news/press-releases/schneider-electric-ranked-world%E2%80%99s-most-sustainable-company-by-corporate-knights-600a99142da98a304f239fbf>. Accessed May 2022.
- 3 <https://www.se.com/ww/en/about-us/newsroom/news/press-releases/schneider-electric-once-again-on-the-2021-carbon-clean-200%E2%84%A2-list-showing-the-way-to-a-clean-energy-future-602e59f1e02ffd4c700939f7>. Accessed May 2022.



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**Target 7.3** - By 2030, double the global rate of improvement in energy efficiency.



**Target 9.4** - By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Source: BlackRock applying UN SDGs and Targets, <https://sdgs.un.org/goals>

# Our framework for impact: Schneider Electric

## What

### Strategic goal: Improve energy & resource efficiency.

- Schneider Electric has connected 34 million people with green energy solutions since 2008 and helped customers avoid 347 million metric tons of CO2 emissions since 2018.<sup>1</sup>

## Who

- Schneider Electric serves end customers including those in residential, building, cloud and service providers, power and grid, water and wastewater, mobility, oil and gas, consumer packaged goods, mining, mineral and metals sectors.<sup>2</sup> The company has global operations in Western Europe, North America and Asia-Pacific.<sup>3</sup>

## How much

### Scale

- 4.2 million people newly connected to green energy in 2021.<sup>4</sup>
- Since 2018, Schneider Electric has helped its customers avoid 347 million metric tons of CO2 emissions.<sup>5</sup>
- Schneider Electric's products and services have supported customers increasing their energy efficiency in ways such as delivering 50-70% energy savings and 30% workforce efficiency gains.<sup>6</sup>

1 Schneider Electric 2021 Annual Report. 21

2 Ibid. 56

3 Schneider Electric 2021 Capital Markets Day. Accelerating Presentation. 10

4 Schneider Electric 2021 Annual Report. 36

## Depth

- During 2021, Schneider Electric helped its customers save and avoid 84 million metric tons of CO2 emissions.<sup>7</sup>

## Contribution

Schneider Electric is a global leader and innovator in energy efficiency and automation, empowering organizations across industries to transition to a lower-carbon economy.

## Risk

Although supply-chain disruptions can at times affect Schneider Electric's production and delay the delivery of key products to its clients, the company focuses on maintaining a global supply chain to help diversify its sources of raw materials and mitigate the impact of disruptions.

5 Ibid. 4

6 Ibid. 15

7 Ibid. 12



“

**Capitalism has the power to shape society and act as a powerful catalyst for change.”**

Larry Fink  
2022 letter to CEOs

# Risk warnings & important information

**This document is marketing material:** Before investing please read the Prospectus and the KIID available on [www.blackrock.com/it](http://www.blackrock.com/it), which contain a summary of investors' rights.

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