



LEA 02	Disclosures	Monetary	Principles
<p>By providing investors the ability to make informed decisions on investments for which they are responsible, investors can contribute to the achievement of the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement. This is done through the use of their capital and influence as owners of companies and other entities. This is done through the use of their capital and influence as owners of companies and other entities.</p>	<p>LEA 02</p>	<p>Monetary</p>	<p>Principles PRI 1, 2, 3</p>
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p>Reason for interaction</p> <p>To support investment decision-making in &amp; company's interests</p> <p>To influence corporate transition or identify the need for additional or enhanced ESG issues</p> <p>To engage internal ESG expertise</p> <p>Other: specify</p> <p>We do not engage with internal staff</p> <p>To support investment decision-making in &amp; company's interests</p> <p>To influence corporate transition or identify the need for additional or enhanced ESG issues</p> <p>Other: specify</p> <p>We do not engage with collaborative engagements</p> <p>To support investment decision-making in &amp; company's interests</p> <p>To influence corporate transition or identify the need for additional or enhanced ESG issues</p> <p>Other: specify</p> <p>We do not engage with service providers</p> <p>To support investment decision-making in &amp; company's interests</p> <p>To influence corporate transition or identify the need for additional or enhanced ESG issues</p> <p>Other: specify</p> <p>We do not engage with service providers</p>		

# RI TRANSPARENCY REPORT

## 2018

BlackRock

## About this report

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

This report is an export of the individual Signatory organisation's response to the PRI during the 2018 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

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

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

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

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

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

# Principles Index

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

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

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

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Public	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 07	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 11	ESG issues in index construction	✓	Public	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 13	Measurement of financial and ESG outcomes of ESG incorporation	✓	Public	✓						
LEI 14	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagement methods	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 16	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 17	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 18	Confirmation of votes	✓	Public		✓					
LEA 19	Securities lending programme	✓	Public		✓					
LEA 20	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 21	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 22	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 23	Shareholder resolutions	✓	Public		✓					
LEA 24	Examples of (proxy) voting activities	✓	Public		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Public	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Negative screening - overview and rationale	✓	Public	✓						
FI 06	Examples of ESG factors in screening process	✓	Public	✓						
FI 07	Screening - ensuring criteria are met	✓	Public	✓						
FI 08	Thematic investing - overview	✓	Public	✓						
FI 09	Thematic investing - themed bond processes	✓	Public	✓						
FI 10	Thematic investing - assessing impact	✓	Public	✓						
FI 11	Integration overview	✓	Public	✓						
FI 12	Integration - ESG information in investment processes	✓	Public	✓						
FI 13	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 14	ESG incorporation in passive funds	✓	Public	✓						
FI 15	Engagement overview and coverage	✓	Public		✓					
FI 16	Engagement method	✓	Public	✓	✓					
FI 17	Engagement policy disclosure	✓	Public	✓	✓					
FI 18	Financial/ESG performance	✓	Public							✓
FI 19	Examples - ESG incorporation or engagement	-	n/a	✓	✓					
FI End	Module confirmation page	✓	-							

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



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

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

Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01.1	Assurance, verification, or review	✓	Public							✓
CM1 01.2 & 01.8	Assurance of this year's PRI data	✓	Public							
CM1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public							✓
CM1 01.4, 10-12	Other confidence building measures	✓	Public							✓
CM1 01.5	External assurance	🔒	n/a							✓
CM1 01.6	Assurance or internal audit	🔒	n/a							✓
CM1 01.7	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

Feedback and Submit				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM2 02	To what extent has the Reporting Framework captured your implementation of the Principles.	✓	Public							✓
CM2 03	Suggestions or comments on the Reporting and Assessment process	-	n/a							✓
CM2 04	Reporting & Assessment contact	✓	Public							✓
CM2 05	Final review before submission	✓	Public							✓
CM2 06	Submit your responses	✓	Public							✓
CM2 Fin		-	n/a							

# BlackRock

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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

## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Other, specify

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

- Execution and advisory services
- Hedge funds
- Fund of hedge funds

OO 01.2

Please describe your hedge fund strategy and classification [OPTIONAL]

### Options presented for hedge funds:

- Ⓒ Equity Hedge Drop down options:
  - Equity Market Neutral
  - Fundamental Growth
  - Fundamental Value
  - Quantitative Directional
  - Sector: Energy/Basic Materials
  - Sector: Healthcare
  - Sector: Technology
  - Short Bias
  - Multi-Strategy
- Event Driven Drop down options:
- Macro Drop down options:
- Relative Value Drop down options:

### Options presented for fund of hedge funds:

- Ⓒ Fund of Hedge Funds Drop down options:
  - Conservative
  - Diversified
  - Market Defensive
  - Strategic

OO 01.3

Additional information. [Optional]

BlackRock offers a range of hedge fund strategies, including those that could be classified using PRI's categories as:

Equity Hedge

Equity Market Neutral

Quantitative Directional

Sector: Healthcare

Multi-Strategy

Event-Driven

Merger Arbitrage

Multi-Strategy

Relative Value

Fixed-Income Corporate

Multi-Strategy

OO 02	Mandatory	Public	Peering	General
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**OO 02.1** Select the location of your organisation's headquarters.

United States

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

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

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

FTE

13635

**OO 02.4** Additional information. [Optional]

BlackRock has world-class capabilities designed to meet our clients' needs, with a comprehensive range of products and services across asset classes, geographies and investment strategies. We have expertise in every region around the world, with 135 investment teams in 30 countries sharing their best thinking in order to seek better returns.

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

- Yes
- No

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

31/12/2017

**OO 04.2** Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM	6	288	194	589	472
Currency	USD				
Assets in USD	6	288	194	589	472

OO 04.4

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

	trillions	billions	millions	thousands	hundreds
Total AUM		1	500	000	000
Currency	USD				
Assets in USD		1	500	000	000

OO 04.5

Additional information. [Optional]

Our systems do not track assets in a manner called for by item OO 04.4. Therefore, our response represents a good faith estimate but may not ultimately be accurate.

OO 06

Mandatory

Public

Descriptive

General

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

OO 06.1

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

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	52.59	1
Fixed income	28.5	1
Private equity	0.095	0.095
Property	0.3	0
Infrastructure	0.18	0
Commodities	0.43	0
Hedge funds	0.82	0



Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	7.16	0
Other (1), specify	0	7.81
Other (2), specify	0	0

'Other (1)' specified

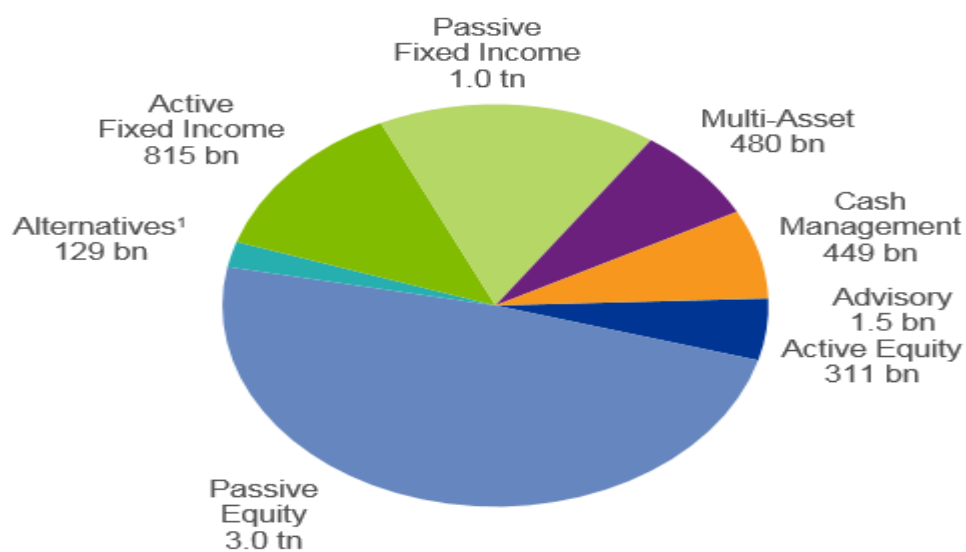
Other includes multi-asset, other alternatives (solutions, opportunistic, currency) and advisory

○ as broad ranges

OO 06.2

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

## \$6.28 trillion managed across asset classes



Assets as of 31 December 2017

<sup>1</sup> Includes commodity and currency mandates

<b>OO 06.3</b>	Provide contextual information on your AUM asset class split. [Optional]
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BlackRock manages 100% of assets internally, and does not have any externally managed assets. However, because the PRI reporting tool requires externally managed assets to enable reporting of our advisory activities under the SAM module, we have elected to identify our Client Portfolio Solutions (OCIO) and Private Equity Partners fund of funds assets as externally managed.

<b>OO 07</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 07.1</b>	Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.
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<b>Internally managed</b>	SSA	50
	Corporate (financial)	11
	Corporate (non-financial)	28
	Securitised	11
	Total	100%
	<b>Externally managed</b>	SSA
Corporate (financial)	11	
Corporate (non-financial)	28	
Securitised	11	
Total	100%	

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

Asset class breakdown	Segregated mandate(s)	Pooled fund(s)	Total of the asset class (each row adds up to 100%)
[a] Listed equity	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<b>100%</b>
[b] Fixed income - SSA	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<b>100%</b>
[c] Fixed income – Corporate (financial)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<b>100%</b>
[d] Fixed income – Corporate (non-financial)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<b>100%</b>
[e] Fixed income – Securitised	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<b>100%</b>
[f] Private equity	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<b>100%</b>
[o] Other (1), specify	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<b>100%</b>

OO 08.2

Additional information. [Optional]

We note the preceding table's item number and question do not appear in the report format, they are: OO 08.1: Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.

BlackRock manages 100% of assets internally, and does not have any externally managed assets. However, because the PRI reporting tool requires externally managed assets to enable reporting of our advisory activities under the SAM module, we have elected to identify our Client Portfolio Solutions (OCIO) and Private Equity Partners fund of funds assets as externally managed.

Our systems do not track assets in a manner called for by item OO 08.1. Therefore, our response represents a good faith estimate but may not ultimately be accurate.

OO 09	Mandatory to Report Voluntary to Disclose	Public	Peering	General
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OO 09.1 Indicate the breakdown of your organisation's AUM by market.

Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
Total	100%

Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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OO 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

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

### Listed equity – voting

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

### Fixed income SSA – engagement

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

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

BlackRock's firm-wide engagement program benefits investments in corporate bonds, issued by companies in both financial and non-financial sectors. BlackRock Investment Stewardship (BIS) is positioned as an investment function, which allows for the mutual exchange of views with active portfolio management teams. To the extent it engages with particular issuers, the team's work to understand the quality of corporate management and leadership benefits clients invested in both equity and fixed income securities of such issuers. BIS' engagement program is detailed in section LEA 01 of the Direct — Listed Equity Active Ownership module, with additional engagement details relating to fixed income available within section FI 16 of the Direct — Fixed Income module.

### Fixed income Corporate (financial) – engagement

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

### Fixed income Corporate (non-financial) – engagement

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

### Fixed income Corporate (securitised) – engagement

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

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

BlackRock's firm-wide engagement program benefits investments in corporate bonds, issued by companies in both financial and non-financial sectors. BlackRock Investment Stewardship (BIS) is positioned as an investment function, which allows for the mutual exchange of views with active portfolio management teams. To the extent it engages with particular issuers, the team's work to understand the

quality of corporate management and leadership benefits clients invested in both equity and fixed income securities of such issuers. BIS' engagement program is detailed in section LEA 01 of the Direct — Listed Equity Active Ownership module, with additional engagement details relating to fixed income available within section FI 16 of the Direct — Fixed Income module.

OO 11	Mandatory	Public	Gateway	General
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OO 11.1	Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).
---------	---

Listed equity
---------------

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

Fixed income - SSA
--------------------

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

Fixed income - corporate (financial)
--------------------------------------

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

Fixed income - corporate (non-financial)
--

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

Fixed income - securitised
----------------------------

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

Private equity
----------------

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

Property
----------

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

### Infrastructure

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

### Commodities

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

### Hedge funds

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

### Cash

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



Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<p data-bbox="564 342 1474 427">Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 439 1289 465"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 479 1326 506"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 519 1305 546"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 560 940 586"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - SSA	<p data-bbox="564 656 1474 741">Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 752 1289 779"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 792 1326 819"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 833 1305 860"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 873 940 900"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - corporate (financial)	<p data-bbox="564 969 1474 1055">Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 1088 1289 1115"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 1128 1326 1155"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 1169 1305 1196"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 1209 940 1236"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - corporate (non-financial)	<p data-bbox="564 1305 1474 1391">Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 1424 1289 1451"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 1464 1326 1491"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 1505 1305 1532"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 1545 940 1572"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - securitised	<p data-bbox="564 1641 1474 1727">Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 1738 1289 1765"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 1778 1326 1805"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 1818 1305 1845"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 1859 940 1886"><input type="checkbox"/> We do not do ESG incorporation</p>
Private equity	

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

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

**Client Portfolio Solutions**

BlackRock's Client Portfolio Solutions (CPS) is an investment group focused on delivering whole-portfolio asset allocation and portfolio construction services and solutions to meet our clients' growing demand for outcome-oriented investment solutions in the face of challenging markets, greater complexity and rising regulatory scrutiny.

CPS provides a single point-of-contact for custom portfolio construction, with individual Client Chief Investment Officers offering multi-asset expertise and owning the design, delivery and performance of custom portfolio solutions for our clients. These experts are segmented by client channels, including DC and Wealth Management Platforms, Pensions, Insurance, Foundations & Endowments, Family Office, Official Institutions, and Multi-nationals. CPS is also organized into three major regions - Americas, EMEA, and APAC - with teams responsible for qualifying client inquiries and identifying solutions that recognize the importance of understanding and addressing client needs and preferences through a local lens.

At this point, ESG capabilities are a binary criterion in our selection process; an investment manager is either able to integrate ESG consideration in the investment process for the mandate under consideration or not. We don't assign scores that would suggest that one approach to ESG integration is superior to another.

**Private Equity Partners**

BlackRock Private Equity Partners (PEP) has developed a framework which allows to evaluate ESG risks and opportunities of each new potential investment. PEP's approach has been designed in recognition of the characteristics of Private Equity fund investments.

Underlying portfolio companies are typically not known to investors when the investment decision is made (blind pool). Thus, when evaluating the ESG practices of a fund manager, BlackRock considers the fund manager's policies, material risk identification processes, ESG value contribution, monitoring practices, and ESG reporting capabilities. GPs are evaluated against current best practices observable in the Private Equity markets, and red flags are noted where material shortfalls are uncovered.

The assessment described above is summarized in a risk assessment and an ESG score, which are integral part of PEP's Investment Decision Memoranda (IDM) and are discussed with the investment committees for final investment decision.

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

## Core modules

- Organisational Overview
- Strategy and Governance

## RI implementation directly or via service providers

### Direct - Listed Equity incorporation

- Listed Equity incorporation

### Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

### Direct - Fixed Income

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

### Direct - Other asset classes with dedicated modules

- Private Equity
- Property
- Infrastructure

## RI implementation via external managers

### Indirect - Selection, Appointment and Monitoring of External Managers

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

## Closing module

- Closing module

OO 12.2	Additional information. [Optional]
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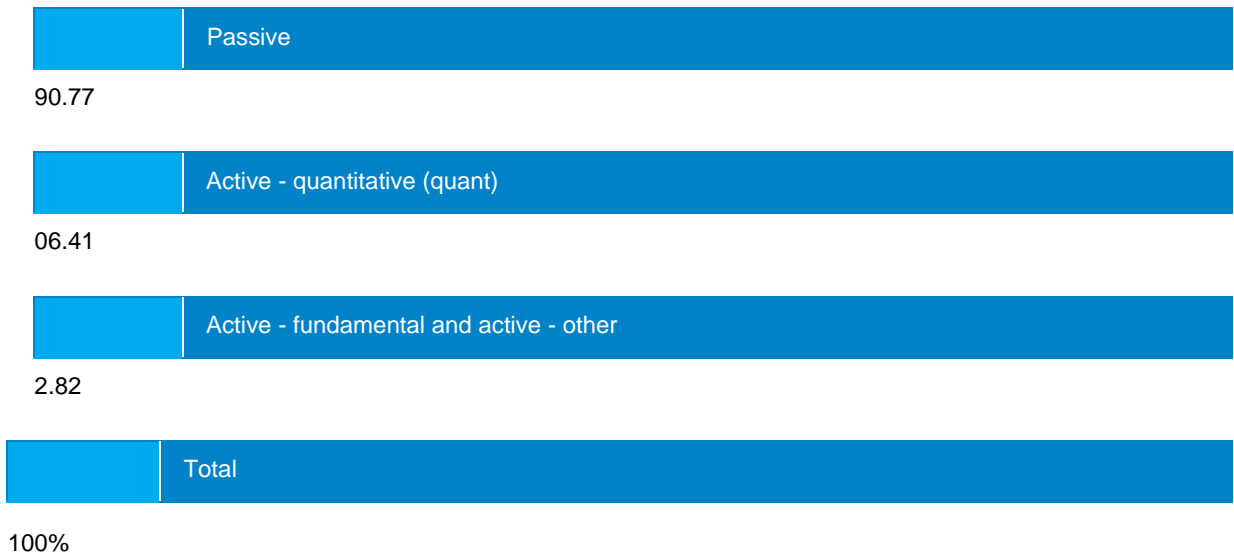
BlackRock manages 100% of assets internally, and does not have any externally managed assets. However, because the PRI reporting tool requires externally managed assets to enable reporting of our advisory activities under the SAM module, we have elected to identify our Client Portfolio Solutions (OCIO) and Private Equity Partners fund of funds assets as externally managed.

### Peering questions

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



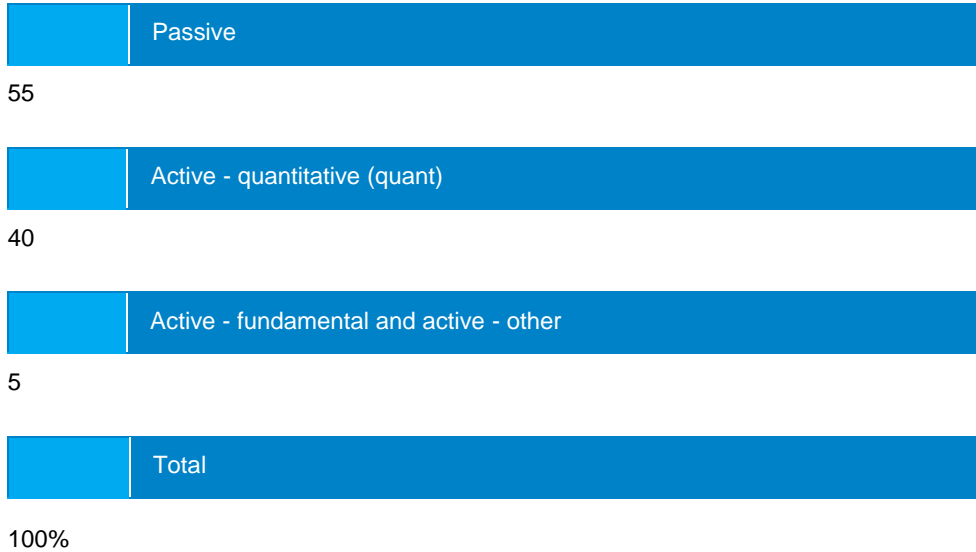
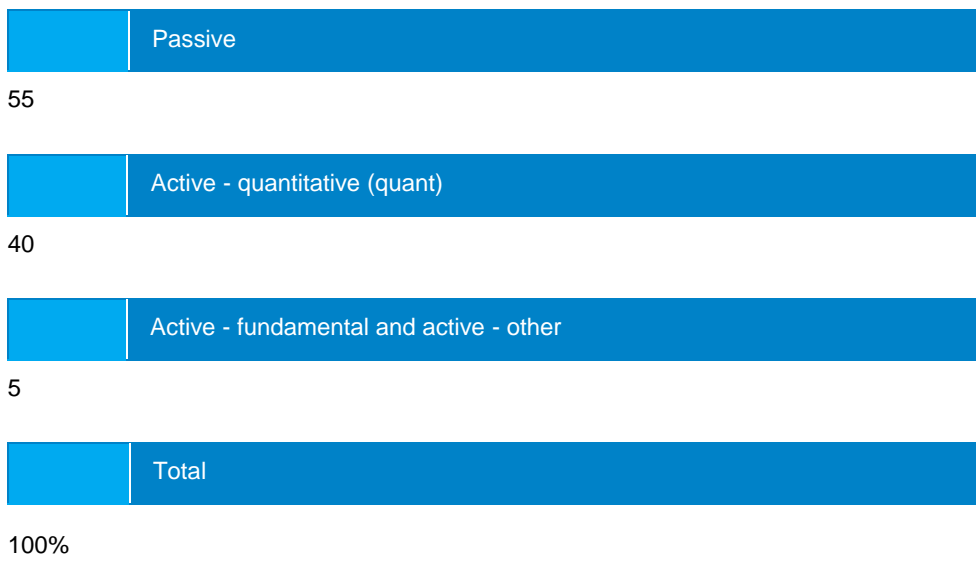
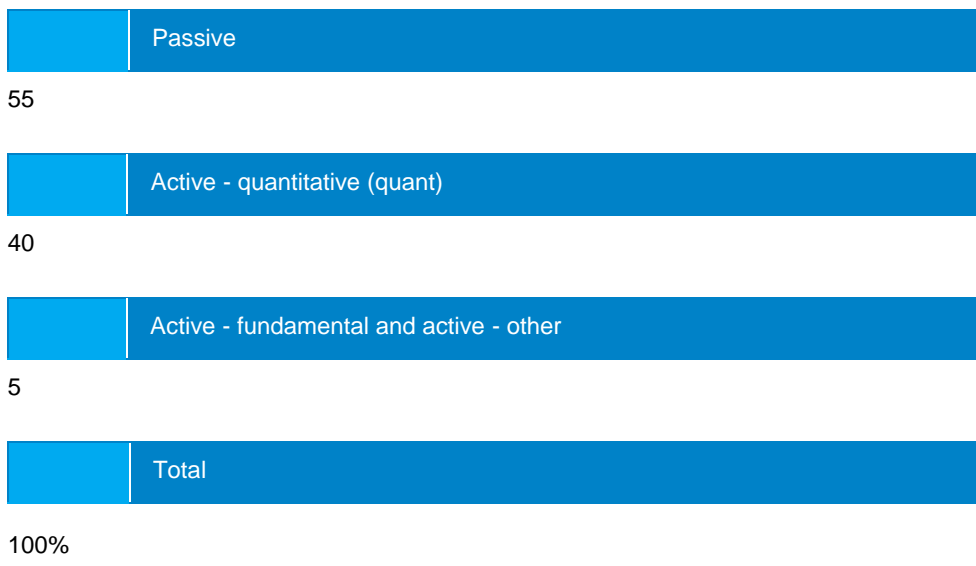
OO LE 02	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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#### Report on strategy

	All active strategies
<input checked="" type="radio"/> Yes <input type="radio"/> No	

OO FI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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<b>SSA</b>	 <table border="1"> <tr> <td>Passive</td> <td>55</td> </tr> <tr> <td>Active - quantitative (quant)</td> <td>40</td> </tr> <tr> <td>Active - fundamental and active - other</td> <td>5</td> </tr> <tr> <td><b>Total</b></td> <td><b>100%</b></td> </tr> </table>	Passive	55	Active - quantitative (quant)	40	Active - fundamental and active - other	5	<b>Total</b>	<b>100%</b>
Passive	55								
Active - quantitative (quant)	40								
Active - fundamental and active - other	5								
<b>Total</b>	<b>100%</b>								
<b>Corporate (financial)</b>	 <table border="1"> <tr> <td>Passive</td> <td>55</td> </tr> <tr> <td>Active - quantitative (quant)</td> <td>40</td> </tr> <tr> <td>Active - fundamental and active - other</td> <td>5</td> </tr> <tr> <td><b>Total</b></td> <td><b>100%</b></td> </tr> </table>	Passive	55	Active - quantitative (quant)	40	Active - fundamental and active - other	5	<b>Total</b>	<b>100%</b>
Passive	55								
Active - quantitative (quant)	40								
Active - fundamental and active - other	5								
<b>Total</b>	<b>100%</b>								
<b>Corporate (non-financial)</b>	 <table border="1"> <tr> <td>Passive</td> <td>55</td> </tr> <tr> <td>Active - quantitative (quant)</td> <td>40</td> </tr> <tr> <td>Active - fundamental and active - other</td> <td>5</td> </tr> <tr> <td><b>Total</b></td> <td><b>100%</b></td> </tr> </table>	Passive	55	Active - quantitative (quant)	40	Active - fundamental and active - other	5	<b>Total</b>	<b>100%</b>
Passive	55								
Active - quantitative (quant)	40								
Active - fundamental and active - other	5								
<b>Total</b>	<b>100%</b>								

<b>Securitized</b>	Passive	55
	Active - quantitative (quant)	40
	Active - fundamental and active - other	5
	<b>Total</b>	<b>100%</b>

**OO FI 01.2** Additional information. [Optional]

Our systems do not track assets in a manner called for by item OO FI 01.1. Therefore, our response represents a good faith estimate but may not ultimately be accurate.

<b>OO FI 03</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**OO FI 03.1** Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.

<b>SSA</b>	Developed markets	60
	Emerging markets	40
	<b>Total</b>	<b>100%</b>

**OO FI 03.3** Additional information. [Optional]

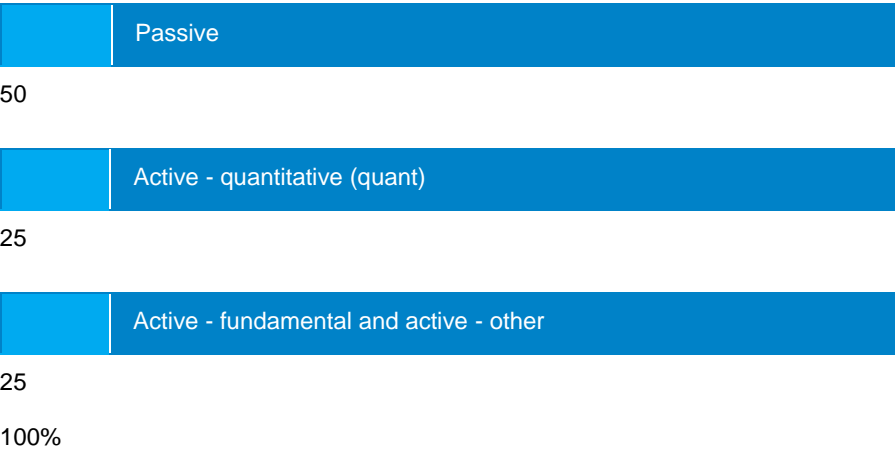
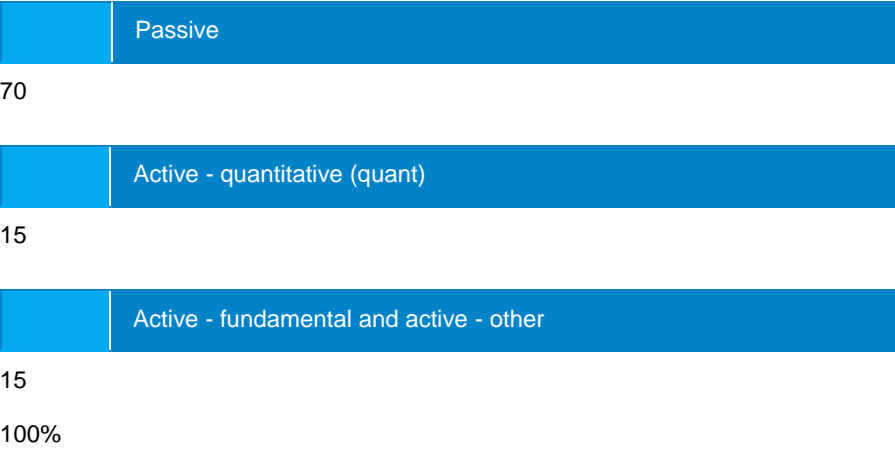
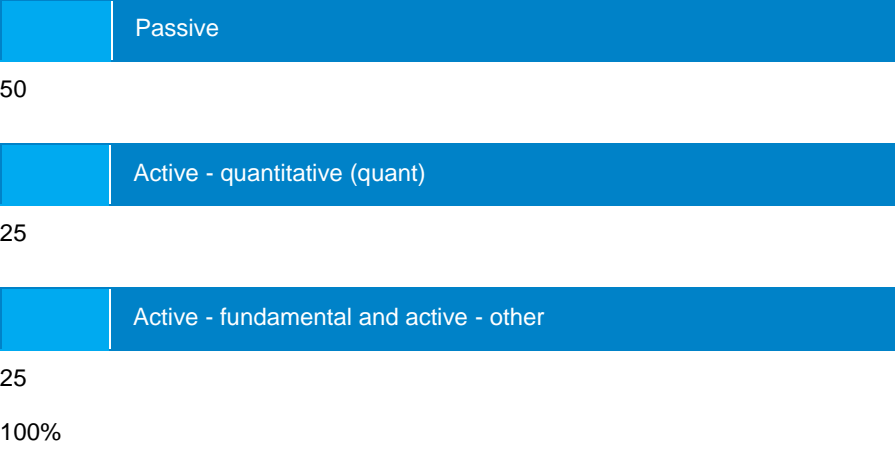
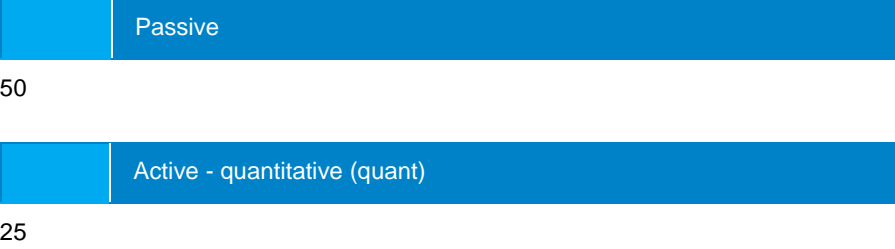
We wish to remind the reader that PRI's reporting methodology requires responders to include non-developed markets and non-emerging markets investments in the emerging markets answer above.

<b>OO SAM 01</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**OO SAM**  
**01.1**

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



Listed equity (LE)	 <p>50</p> <p>25</p> <p>25</p> <p>100%</p>
Fixed income - SSA	 <p>70</p> <p>15</p> <p>15</p> <p>100%</p>
Fixed income - Corporate (financial)	 <p>50</p> <p>25</p> <p>25</p> <p>100%</p>
Fixed income - Corporate (non-financial)	 <p>50</p> <p>25</p>

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

<b>OO SAM 01.2</b>	Additional information [Optional].
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BlackRock manages 100% of assets internally, and does not have any externally managed assets. However, because the PRI reporting tool requires externally managed assets to enable reporting of our advisory activities under the SAM module, we have elected to identify our Client Portfolio Solutions (OCIO) and Private Equity Partners fund of funds assets as externally managed.

Our systems do not track assets in a manner called for by item OO SAM 01. Therefore, our response represents a good faith estimate but may not ultimately be accurate.

<b>OO PE 01</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>OO PE 01.1</b>	Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.
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Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)
Venture capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Growth capital	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
(Leveraged) buy-out	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Distressed/Turnaround/Special Situations	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Secondaries	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Other investment strategy, specify	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Other investment strategy, specify	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Total100%	

Other investment strategy, specify

Natural Resources, Infrastructure

OO PE 01.2	Additional information. [Optional]
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BlackRock Private Equity Partners (PEP) is BlackRock's dedicated Private Equity solutions platform, which was formed in July 1999 by Russ Steenberg. As of February 2018, the PEP platform comprises 138 professionals located primarily in Princeton, Hong Kong, Zurich, and London. The combined team manages commitments of approximately USD 25.9 billion in private market commingled fund and custom separate accounts investing in primary fund, secondary investments and direct co-investments. With its core focus on private market investment solutions, the Team seeks to develop attractive investment offerings tailored to the regional needs of investors. The Team strives to be one of the most established and respected private markets investment solutions providers globally.

Please note that the AUM information provided above is only applicable to Private Equity direct co-investments, where PEP invests in direct investment opportunities alongside leading sponsors.

OO PE 02	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO PE 02.1	Indicate the level of ownership you typically hold in your private equity investments.
---------------	--

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

OO PE 02.2	Additional information. [Optional]
---------------	------------------------------------

BlackRock Private Equity Partners (PEP) is BlackRock's dedicated Private Equity solutions platform, which was formed in July 1999 by Russ Steenberg. As of February 2018, the PEP platform comprises 138 professionals located primarily in Princeton, Hong Kong, Zurich, and London. The combined team manages commitments of approximately USD 25.9 billion in private market commingled fund and custom separate accounts investing in primary fund, secondary investments and direct co-investments. With its core focus on private market investment solutions, the Team seeks to develop attractive investment offerings tailored to the regional needs of investors. The Team strives to be one of the most established and respected private markets investment solutions providers globally.

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

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

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

OO PR 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

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

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

<b>OO PR 01.2</b>	Provide a breakdown of your organisations allocation to Real Estate Investment Trusts (REITs) or similar
-----------------------	--

- >50%
- 10 – 50%
- <10%
- 0%

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

<b>OO PR 02</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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<b>OO PR 02.1</b>	Provide a breakdown of your organisation’s property assets based on who manages the assets.
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Property assets managed by	Breakdown of your property assets (by number)
Managed directly by your organisation	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Managed via third-party property managers appointed by you	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors or their property managers	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Managed by tenant(s) with operational control	<input type="radio"/> > 50% <input checked="" type="radio"/> 10-50% <input type="radio"/> < 10% <input type="radio"/> 0%
Total	100%

OO PR 03	Voluntary	Public	Descriptive	General
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OO PR 03.1	Indicate up to three of your largest property types by AUM.
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Types	Main property types (by AUM)
Largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input checked="" type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Second largest property type	<input checked="" type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Third largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input checked="" type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify

OO INF 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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**OO INF 01.1** Indicate the level of ownership you typically hold in your infrastructure investments.

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

OO INF 02	Mandatory to Report Voluntary to Disclose	Public	Gateway/Peering	General
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**OO INF 02.1** Provide a breakdown of your organisation's infrastructure assets based on who manages the assets.

Infrastructure assets managed by	Breakdown of your infrastructure assets (by number)
Managed directly by your organisation/companies owned by you	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Managed via third-party operators appointed by your organisation/companies owned by you	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors/their third-party operators	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Total	100%

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

<b>OO INF 03</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>OO INF 03.1</b>	Indicate up to three of your largest infrastructure sectors by AUM.
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Sector	Main infrastructure sectors (by AUM)
Largest infrastructure sector	<ul style="list-style-type: none"> <li><input type="radio"/> Transportation</li> <li><input type="radio"/> Energy infrastructure</li> <li><input type="radio"/> Conventional energy</li> <li><input type="radio"/> Renewable energy</li> <li><input type="radio"/> Water management</li> <li><input type="radio"/> Waste management</li> <li><input type="radio"/> Communication</li> <li><input type="radio"/> Social infrastructure</li> <li><input checked="" type="radio"/> Other, specify</li> </ul> <p>Power infrastructure, includes renewables</p>
Second largest infrastructure sector	<ul style="list-style-type: none"> <li><input type="radio"/> Transportation</li> <li><input checked="" type="radio"/> Energy infrastructure</li> <li><input type="radio"/> Conventional energy</li> <li><input type="radio"/> Renewable energy</li> <li><input type="radio"/> Water management</li> <li><input type="radio"/> Waste management</li> <li><input type="radio"/> Communication</li> <li><input type="radio"/> Social infrastructure</li> <li><input type="radio"/> Other, specify</li> </ul>
Third largest infrastructure sector	<ul style="list-style-type: none"> <li><input checked="" type="radio"/> Transportation</li> <li><input type="radio"/> Energy infrastructure</li> <li><input type="radio"/> Conventional energy</li> <li><input type="radio"/> Renewable energy</li> <li><input type="radio"/> Water management</li> <li><input type="radio"/> Waste management</li> <li><input type="radio"/> Communication</li> <li><input type="radio"/> Social infrastructure</li> <li><input type="radio"/> Other, specify</li> </ul>

# BlackRock

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

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

## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

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

SG 01.1

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

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

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

SG 01.3

Indicate if the investment policy covers any of the following

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

<b>SG 01.4</b>	Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.
----------------	--

At BlackRock, we approach sustainable investing by focusing on:

- Insights: Developing the clearest possible picture of how environmental, social and governance issues affect risk and long term return
- Integration: Integrating sustainability-related insights and data into BlackRock's investment processes across asset classes and investment styles
- Solutions: Delivering sustainable investment solutions that empower clients to achieve their financial objectives
- Stewardship: Engaging companies in index and alpha-seeking portfolios alike on sustainability-related issues that impact long-term performance

<b>SG 01.5</b>	Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]
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BlackRock's Real Assets team operates under a Sustainability Mission Statement, and BlackRock's Global Fixed Income group adopted a Responsible Investment Policy in 2016.

No

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

<b>SG 02.1</b>	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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Formalised guidelines on corporate governance factors

	URL/Attachment
--	----------------

URL

	URL
--	-----

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

Attachment (will be made public)

We do not publicly disclose our investment policy documents

<b>SG 02.2</b>	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.
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Time horizon of your investment

URL/Attachment

URL

URL

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

Attachment

ESG incorporation approaches

Active ownership approaches

URL/Attachment

URL

URL

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

Attachment

We do not publicly disclose any investment policy components

**SG 02.3** Indicate if your organisation's investment principles, and overall investment strategy is publicly available

Yes

No

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

Yes

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

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

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

- Identify potential or actual conflicts of interest both in relation to existing arrangements and when considering changes to, or making new, business arrangements;
- Report any conflicts of interest promptly to his/her supervisor and Legal & Compliance;

- Avoid (where possible) or otherwise take appropriate steps to mitigate a conflict to protect our clients' interests; and
- Where appropriate, disclose conflicts of interest to clients prior to proceeding with a proposed arrangement.

No

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

No

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

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

## Objectives and strategies

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

SG 06	Voluntary	Public	Descriptive	General
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**SG 06.1**

List the main responsible investment objectives that your organisation set for the reporting year.

## Responsible investment processes

- Provide training on ESG incorporation

## Key performance indicator

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

## Progress achieved

In 2017 BlackRock provided training on ESG incorporation through product team and investment team consultations and conversations, external research providers, and independent organizations with unique insights into specific sustainability topics. These sessions were led by subject matter experts from various teams, including the Head of Responsible Investment for Global Fixed Income, Investment Stewardship, Portfolio Analytics Group, and product development. Feedback has been positive, and there have been requests for additional training. We continue to develop our approach to training on ESG incorporation and introduce new sources to keep current with sustainability trends and market developments. Some employees took the Sustainability Accounting Standards Board's Fundamentals of Sustainability Accounting exam in 2017, and the CFA Institute's curriculum--which many of our employees study to pass the CFA exams--has expanded ESG coverage.

- Provide training on ESG engagement
- Improved communication of ESG activities within the organisation

## Key performance indicator

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

## Progress achieved

A weekly ESG trends email informs a broad range of teams across the firm of developments in the field and from our firm. Several internal working groups meet regularly and report on ESG activities across the firm, such as new products, reporting and analysis capabilities, and topics of interest to clients around the globe. Feedback on these activities has been positive, and there is interest in greater communications as the interest in ESG integration has grown.

- Improved engagement to encourage change with regards to management of ESG issues
- Improved ESG incorporation into investment decision making processes

## Key performance indicator

Feedback from senior investment leadership and key investment team partners

Progress achieved

In 2017, BlackRock's Global Executive Committee (GEC) charged a multi-disciplinary group of practitioners across BlackRock to formulate a plan to improve ESG integration across the business. The working group recommended a plan to the GEC to elevate the understanding of sustainability within the firm's investment teams. The group delivered a report on the need for BlackRock to pursue greater ESG awareness amongst investment teams, and to more systematically integrate ESG risks into investment analysis. The group received engaged questions and supportive comments from the GEC members, which signalled critical leadership agreement. As a result, BlackRock hired a Sustainable Investing Chief Investment Officer to partner with operational and content expert-leads from every investment team across the firm to implement the vision.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Other activities

- Joining and/or participation in RI initiatives

Key performance indicator

Output from such initiatives progressing the ESG debate and policy framework.

Progress achieved

BlackRock actively participated in the Sustainability Accounting Standards Board's work to standardize material sustainability disclosures through our position on the Board as well as its Investor Advisory Group. BlackRock is a member of the Financial Stability Board's Taskforce on Climate-related Financial Disclosures, and serves on the Council of the International Integrated Reporting Council.

- Encouraging others to join a RI initiative



Key performance indicator
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Output from such initiatives progressing the ESG debate and policy framework.

Progress achieved
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In our capacity as advisor to a diverse group of clients across the world, BlackRock is often engaged by clients who wish to learn more about the sustainable investment landscape and responsible investment trends. We are often in the position to recommend participation in certain initiatives, and to share our experiences as participants in the groups where we play an active role.

- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

<b>Governance and human resources</b>				
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<b>SG 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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<b>SG 07.1</b>	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles present in your organisation
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- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify  
 Global Head of Sustainable Investing

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

Other description (1)

**Sustainable Investing Chief Investment Officer**

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

Other description (2)

**GlobalHead of Responsible Investment GlobalFixedIncome**

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment

<b>SG 07.2</b>	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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Regarding SG 07.1:

BlackRock's board of directors oversees the management of the company by, among other things, reviewing BlackRock's long-term business strategies and performance. As part of its oversight function, the board periodically reviews certain business lines in depth. In July 2017, management reviewed with the board BlackRock's sustainable

investing business, and BlackRock's broader sustainable investing ecosystem. This included a market overview and a review of how the firm's sustainable investment activities have evolved.

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

Regarding SG 07.2:

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

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

The Chief Investment Officer (CIO) of Sustainable Investing is responsible for implementing the firm's sustainable investment policies and ensuring consistency and quality in the firm's sustainable investment solutions. The CIO is responsible, in partnership with the firm's investment leadership, for incorporating ESG into the firm's investment processes and building scalable sustainable investment products and customized solutions across asset classes, and in alpha-seeking and index strategies.

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

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

The Global Head of BlackRock Sustainable Investing and the Global Head of BlackRock Investment Stewardship take leadership roles and direct the firm's sustainability efforts in consultation with colleagues who have relevant expertise in sustainable investing and corporate responsibility. An ESG and Policy Steering Committee, chaired by the firm's Chief Operating Officer, coordinates cross-departmental initiatives and priorities, including sustainable investment association memberships. In addition, BlackRock's Chief Executive Officer and Chairman of the Board is a public proponent of long-term investing, and communicates the value of sustainable investing, investment stewardship, and corporate ESG disclosure, including in his annual letter to global CEOs.

**SG 07.3**

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

Number

53

**SG 07.4**

Additional information. [Optional]

Both the Global Head of Responsible Investment for Global Fixed Income and the Global Head of BlackRock Real Assets Sustainable Investing have oversight/accountability roles in addition to implementation responsibilities.

**SG 08**

**Voluntary**

**Public**

**Additional Assessed**

**General**

**SG 08.1**

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

**Board members/Board of trustees**

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

**Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee**

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

**Other C-level staff or head of department**

**Global Head of Sustainable Investing**

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

**Portfolio managers**

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

**Investment analysts**

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

**Dedicated responsible investment staff**

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

**Other role (1) [from SG 07]**

Sustainable Investing Chief Investment Officer

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

**Other role (2) [from SG 07]**

GlobalHead of Responsible Investment GlobalFixedIncome

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

**Promoting responsible investment**

<b>SG 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 09.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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**Select all that apply**

- Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced
- Asian Corporate Governance Association

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

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

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

- Basic
- Moderate
- Advanced
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)

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

- Basic
- Moderate
- Advanced
- Eumedion

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

- Basic
- Moderate
- Advanced
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- EVCA – Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)

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

- Basic
  - Moderate
  - Advanced
- Global Real Estate Sustainability Benchmark (GRESB)

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

- Basic
  - Moderate
  - Advanced
- Green Bond Principles

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

- Basic
  - Moderate
  - Advanced
- Institutional Investors Group on Climate Change (IIGCC)

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

- Basic
  - Moderate
  - Advanced
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)

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

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

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

- Basic
  - Moderate
  - Advanced
- International Integrated Reporting Council (IIRC)

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

- Basic
- Moderate
- Advanced

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

**BlackRock is a member of the Council of the International Integrated Reporting Council**

- Investor Network on Climate Risk (INCR)/CERES

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

- Basic
- Moderate
- Advanced
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

**Sustainability Accounting Standards Board**

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

- Basic
- Moderate
- Advanced

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

**BlackRock is a member of the Board that is the Sustainability Accounting Standards Board.**

**In addition, BlackRock serves as a member of the Investor Advisory Group.**

- Other collaborative organisation/initiative, specify
- Task Force on Climate Related Financial Disclosures**



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

- Basic
- Moderate
- Advanced

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

BlackRock is a member of the Task Force on Climate Related Financial Disclosures

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

<b>SG 09.2</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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Indicate approximately what percentage (+/- 5%) of your externally managed assets are managed by PRI signatories.

%

50

<b>SG 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**SG 10.2** Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

Peer to peer education includes explanations of the sustainable investment landscape and practice at our firm, sources of ESG data and research, where to access ESG data in the firm's portfolio and risk management platform, methods for incorporating ESG information into investment process, and analytics and reports to support investment decisions and client conversations. In addition, members of the firm have attended seminars and conferences, and have studied for external certifications such as the SASB Fundamentals of Sustainability Accounting Credential.

Frequency of contribution

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

Provided financial support for academic or industry research on responsible investment

Description

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

Frequency of contribution

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

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

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

Description

Through our participation in organizations such as the Sustainability Accounting Standards Board, the Integrated international Reporting Council, and the Task Force on Climate Related Financial Disclosure, which all have guidance for asset manager disclosures. In addition, our clients routinely consult us on disclosure practices, including ESG policies and statements of investment beliefs or responsible investment frameworks.

Frequency of contribution

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

Spoke publicly at events and conferences to promote responsible investment

#### Description

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

#### Frequency of contribution

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

Wrote and published in-house research papers on responsible investment

#### Description

In 2017, we published papers such as BlackRock's Approach to Executive Remuneration in Europe, the Middle East and Africa; and BlackRock Investment Stewardship's approach to engagement on climate risk.

#### Frequency of contribution

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

Encouraged the adoption of the PRI

#### Description

Our clients are often interested in learning our advice on how they might advance their sustainable investment practice, and many clients ask for our views on joining the PRI.

#### Frequency of contribution

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

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

#### Description

BlackRock periodically submits letters and consultation papers to policymakers, and makes them available in the public policy section of our website at [www.blackrock.com](http://www.blackrock.com). In the recent year, BlackRock commented on the European Commission's Consultation on institutional investors' and asset managers' duties regarding sustainability, the draft Dutch Stewardship Code, a questionnaire by the High Level Expert Group on the Sustainable Finance Interim Report, and the BEIS Green Paper on Corporate Governance Reform, among other topics.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Wrote and published articles on responsible investment in the media

#### Description

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

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- A member of PRI advisory committees/ working groups, specify

#### Description

Policy Advisory Committee

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description
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Intentional Endowments Network, among others.

Frequency of contribution
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- Other, specify
- No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
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Associação de Investidores no Mercado de Capitais (AMEC)  
Broadridge Independent Steering Committee  
Conference Board Governance Center  
Harvard Law School Institutional Investor Forum  
Sustainable Stock Exchanges Initiative  
Investor Network on Climate Risk (INCR)  
Investor Stewardship Group (ISG)  
Canadian Coalition for Good Governance  
Business and Sustainable Development Commission Blended Finance Taskforce  
Commonsense Principles of Corporate Governance  
Intentional Endowments Network (IEN)  
Business Roundtable  
Asian Corporate Governance Association (ACGA)  
Financial Services Council (FSC)  
Investor Group on Climate Change (IGCC) Australia/New Zealand  
Responsible Investment Association Australasia (RIAA)  
Asian Investor Group on Climate Change  
Hong Kong Investment Fund Association  
Japan Stewardship Code  
Taiwan Stewardship Code  
European Commission's Expert Working Group (TACG)  
Institutional Investors Group on Climate Change (IIGCC)  
PLSA Stewardship Disclosure Framework (Formally NAPF)  
The UK Investor Forum  
Financial Reporting Council / FRC - UK Stewardship Code  
Towards a Resilient Financial Sector: Disclosing Physical Climate Risk & Opportunities Working Group  
Green Finance Initiative  
British Property Federation (BPF)

Institut du Capitalisme Responsable  
 The Lab (Global Innovation Lab for Climate Finance)  
 CICERO Climate Finance  
 Climate Bonds Initiative  
 International Corporate Governance Network (ICGN)  
 Sustainability Accounting Standards Board (SASB) / SASB Investor Advisory Group  
 Urban Land Institute (ULI) Greenprint Programme  
 30% Club Investor Group  
 FSB Task Force on Climate Related Financial Disclosures (TCFD)  
 Embankment Project (organized by the Coalition for Inclusive Capitalism)  
 Coalition for Inclusive Capitalism  
 FCLT Global (formerly Focusing Capital on the Long Term)  
 CECP's Strategic Investor Initiative  
 Energy Transitions Commission

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

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

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

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

- No
- No

**SG 11.4**

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

As an important part of our service to clients, BlackRock advocates for public policies that we believe are in our investors' long-term best interests.

We support the creation of regulatory regimes that increase financial market transparency, protect investors, and facilitate responsible growth of capital markets, while preserving consumer choice and properly balancing benefits versus implementation costs.

We comment on public policy topics through our ViewPoints series of papers, which examine public policy issues and assess their implications for investors, and through letters and consultations that we periodically submit to policymakers.

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

### Outsourcing to fiduciary managers and investment consultants

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

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

**SG 12.1**

Indicate whether your organisation uses investment consultants.

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

### ESG issues in asset allocation

**SG 13****Mandatory****Public****Descriptive****PRI 1**

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

**SG 13.1**

Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

**SG 13.2**

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

**We do the following**

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

<b>SG 14</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**SG 14.1** Describe the process used to identify short, medium and long-term risks and opportunities that could have a material impact on your organisation and its activities.

As a global investment management firm, risk is an inherent part of BlackRock's business. Global markets, by their nature, are prone to uncertainty and subject participants to a variety of risks. While BlackRock devotes significant resources across all of its operations to identify, measure, monitor, manage and analyze market, operating, legal, compliance, fiduciary and investment risks, BlackRock's business, financial condition, operating results and non-operating results could be materially adversely affected and the Company's stock price could decline as a result of any of these risks and uncertainties, including the ones discussed in our annual report Form 10-K filed with the SEC.

**SG 14.2** Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.

- Changing demographics
- Climate change and related issues

**SG 14.3** Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above



**SG 14.4**

Indicate which of the following tools you use to manage emissions risks and opportunities

- Scenario analysis
- Disclosure on emissions risk to clients/trustees/management/beneficiaries
- Climate-related targets
- Encourage internal and/or external portfolio managers to monitor emissions risk
- Emissions risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above
- Resource scarcity
- Technology developments
- Other, specify(1)
- Other, specify(2)
- None of the above

**SG 14.5**

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

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

Disclosure of material climate-related information by public issuers is one of our investment stewardship team's key priorities for engagement. BlackRock's Investment Stewardship team conducted engagements with oil, gas, and utility companies to emphasize the need for increased reporting around climate-related risks. The team sent letters to CEOs and general counsels of approximately 120 of the most carbon-intensive companies globally in BlackRock's aggregate equity portfolio. These are companies that we consider to have material climate risk. We have asked them to closely review in full the TCFD recommendations and to consider reporting in alignment with the framework. In addition, we encourage companies to engage with us regarding the changes in reporting that might be necessary for the company to achieve alignment with TCFD recommendations and any anticipated obstacles. Our analysis suggests that many companies exposed to climate risk are already reporting to some degree on their policies, adaptation strategies, and metrics for managing climate risk. Over the course of the coming year, BlackRock's Investment Stewardship team aims to follow-up with those they sent a letter to understand their views on the TCFD recommendations and to encourage them to consider using this reporting framework as it is finalized and subsequently evolves over time.

**SG 15****Mandatory to Report Voluntary to Disclose****Public****Descriptive****PRI 1**

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

**SG 15.1**

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

**SG 15.2**

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

%

0.1

**SG 15.3**

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

Area

Clean technology (including renewable energy)

Asset class invested

Listed equity

% of AUM

0.01

Fixed income - SSA

% of AUM

0.01

Fixed income - Corporate (financial)

% of AUM

0.01

Fixed income - Corporate (non-financial)

% of AUM

0.01

Fixed income - Securitised

Private equity

Property

Infrastructure

% of AUM
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.01

- Commodities
- Hedge funds
- Cash
- Other (1)

Brief description and measures of investment
--

Our systems do not track assets in a manner called for by item SG 15.3. Therefore, our response represents a good faith estimate but may not ultimately be accurate.

**Listed Equity:**

- iShares Global Clean Energy ETF (ICLN)& iShares Global Water UCITS ETF (INRG): Fund offers exposure to 30 of the largest global companies involved in the clean energy sector.

**Fixed Income (Global\*):**

- iShares Green Bond Index Fund: Fund seeks to deliver total return, taking into account capital and income returns, which reflects the total return of the Euro hedged version of the Barclays MSCI Green Bond Index. Bond proceeds must fund projects in qualifying environmental categories: alternative energy, energy efficiency, pollution prevention and control, sustainable water, green building and climate adaptation.
- \*SSA, Corporate (financial), and Corporate (non-financial) were checked as this strategy is a global fixed income strategy.

**Infrastructure:**

- Global Renewable Power Fund II: The Fund seeks to deliver attractive, uncorrelated risk-adjusted returns through investments in the equity of utility-scale wind and solar projects, specifically in North America and Europe regions.

Green buildings

Asset class invested
----------------------

- Listed equity
- Fixed income - SSA

% of AUM
----------

0.01

- Fixed income - Corporate (financial)

% of AUM
----------

0.01

- Fixed income - Corporate (non-financial)

% of AUM
----------

0.01

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

Brief description and measures of investment
--

Our systems do not track assets in a manner called for by item SG 15.3. Therefore, our response represents a good faith estimate but may not ultimately be accurate.

**Fixed Income (Global\*):**

- iShares Green Bond Index Fund: Fund seeks to deliver total return, taking into account capital and income returns, which reflects the total return of the Euro hedged version of the Barclays MSCI Green Bond Index. Bond proceeds must fund projects in qualifying environmental categories: alternative energy, energy efficiency, pollution prevention and control, sustainable water, green building and climate adaptation.
- \*SSA, Corporate (financial), and Corporate (non-financial) were checked as this strategy is a global fixed income strategy.

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

Asset class invested
----------------------

- Listed equity

% of AUM
----------

0.01

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

	Brief description and measures of investment
--	--

Our systems do not track assets in a manner called for by item SG 15.3. Therefore, our response represents a good faith estimate but may not ultimately be accurate.

**Listed Equity:**

- BSF Impact World Equity Fund& BlackRock Impact U.S. Equity Fund: Funds seek to invest in companies which make a measurable positive difference to society in the areas of health, citizenship and the environment. Portfolio holdings reflect high impact disease research, corporate citizenship, fewer ethics controversies, fewer legal actions, and more green innovations.

**Fixed Income (US Agg\*):**

- BlackRock Impact Bond Fund: Fund seeks to invest in companies which make a measurable positive difference to society in the areas of health, citizenship and the environment. Portfolio holdings reflect high impact disease research, corporate citizenship, fewer ethics controversies, fewer legal actions, and more green innovations.
- \*SSA, Corporate (financial), and Corporate (non-financial) were checked as this strategy is a US aggregate income strategy.

Water

	Asset class invested
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Listed equity

	% of AUM
--	----------

0.01

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

Brief description and measures of investment

Our systems do not track assets in a manner called for by item SG 15.3. Therefore, our response represents a good faith estimate but may not ultimately be accurate.

**Listed Equity:**

- iShares Global Water UCITS ETF: The Fund seeks to track the performance of an index composed of 50 of the largest global companies engaged in water related businesses.

Other area, specify

No

**Asset class implementation not reported in other modules**

<b>SG 16</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>Asset Class</b>	<b>Describe what processes are in place and the outputs or outcomes achieved</b>
Cash	In 2017, BlackRock's Global Executive Committee (GEC) charged a multi-disciplinary group of practitioners across BlackRock to formulate a plan to improve ESG integration across the business. The working group recommended a plan to the GEC to elevate the understanding of sustainability within the firm's investment teams. The group delivered a report on the need for BlackRock to pursue greater ESG awareness amongst investment teams, and to more systematically integrate ESG risks into investment analysis. The group received engaged questions and supportive comments from the GEC members, which signalled critical leadership agreement. As a result, BlackRock hired a Sustainable Investing Chief Investment Officer to partner with operational and content expert-leads from every investment team across the firm, including cash, to implement the vision.

<b>SG 17</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 17.1</b>	Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
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<b>Asset Class</b>	<b>Describe what processes are in place and the outputs or outcomes achieved</b>
Other (1) [as defined in Organisational Overview module]	Please refer to our Selection and Monitoring report for more detail on our ESG integration activities into our advisory business.

<b>SG 17.2</b>	Additional information.
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BlackRock manages 100% of assets internally, and does not have any externally managed assets. However, because the PRI reporting tool requires externally managed assets to enable reporting of our advisory activities under the SAM module, we have elected to identify our Client Portfolio Solutions (OCIO) and Private Equity Partners fund of funds assets as externally managed.

## Innovation

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

<b>SG 18.2</b>	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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BlackRock Sustainable Investing brings together the world-class analytics and global resources of BlackRock to provide institutional quality solutions, industry thought leadership, research and tools to make sustainable investing more transparent and accessible to our investors. The team is focused on three key areas: 1) Developing the clearest possible picture of how environmental, social and governance issue affect risk and long term return; 2) integrating sustainability-related insights and data into BlackRock's investment processes across asset classes and investment styles; and 3) delivering sustainable investment solutions across asset classes and strategies that empower clients to achieve their financial objectives.

No

## Communication

<b>SG 19</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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<b>SG 19.1</b>	Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
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	Fixed income
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Do you disclose?

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

<b>Disclosure to clients/beneficiaries</b>	
	<p>Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"><li><input checked="" type="radio"/> Broad approach to RI incorporation</li><li><input type="radio"/> Detailed explanation of RI incorporation strategy used</li></ul>
	<p>Frequency</p> <ul style="list-style-type: none"><li><input type="checkbox"/> Quarterly</li><li><input type="checkbox"/> Biannually</li><li><input type="checkbox"/> Annually</li><li><input type="checkbox"/> Less frequently than annually</li><li><input checked="" type="checkbox"/> Ad hoc/when requested</li></ul>

Infrastructure

Do you disclose?

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



<b>Disclosure to clients/beneficiaries</b>	
	<p><b>Disclosure to clients/beneficiaries</b></p> <p><input checked="" type="checkbox"/> ESG information on how you select infrastructure investments</p> <p><input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments</p> <p><input checked="" type="checkbox"/> Information on your infrastructure investments' ESG performance</p>
	<p><b>Frequency</b></p> <p><input type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input checked="" type="checkbox"/> Ad-hoc/when requested</p>

**Listed equity - Engagement**

**Do you disclose?**

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

**The information disclosed to clients/beneficiaries is the same**

- Yes
- No

<p><b>Disclosure to public and URL</b></p>	
<p><b>Disclosure to public and URL</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Details on the overall engagement strategy</li> <li><input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals</li> <li><input checked="" type="checkbox"/> Number of engagements undertaken</li> <li><input checked="" type="checkbox"/> Breakdown of engagements by type/topic</li> <li><input checked="" type="checkbox"/> Breakdown of engagements by region</li> <li><input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives</li> <li><input type="checkbox"/> Examples of engagement cases</li> <li><input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)</li> <li><input type="checkbox"/> Details on whether the provided information has been externally assured</li> <li><input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement</li> <li><input checked="" type="checkbox"/> Other information</li> </ul> <p>Responses to public consultations, statements on stewardship codes, and versions of letters to companies</p>	<p><b>Disclosure to clients/beneficiaries</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Details on the overall engagement strategy</li> <li><input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals</li> <li><input checked="" type="checkbox"/> Number of engagements undertaken</li> <li><input checked="" type="checkbox"/> Breakdown of engagements by type/topic</li> <li><input checked="" type="checkbox"/> Breakdown of engagements by region</li> <li><input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives</li> <li><input checked="" type="checkbox"/> Examples of engagement cases</li> <li><input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)</li> <li><input type="checkbox"/> Details on whether the provided information has been externally assured</li> <li><input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement</li> <li><input checked="" type="checkbox"/> Other information</li> </ul> <p>Responses to public consultations, statements on stewardship codes, and generic versions of letters to companies</p>
<p><b>Frequency</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Quarterly or more frequently</li> <li><input type="checkbox"/> Biannually</li> <li><input type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad-hoc/when requested</li> </ul>	<p><b>Frequency</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Quarterly or more frequently</li> <li><input type="checkbox"/> Biannually</li> <li><input type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad-hoc/when requested</li> </ul>
<p><b>URL</b></p> <p><a href="https://www.blackrock.com/corporate/about-us/investment-stewardship/voting-guidelines-reports-position-papers#engagement-and-voting-reports">https://www.blackrock.com/corporate/about-us/investment-stewardship/voting-guidelines-reports-position-papers#engagement-and-voting-reports</a></p> <p><b>URL</b></p> <p><a href="https://www.blackrock.com/corporate/about-us/investment-stewardship/voting-guidelines-reports-position-papers#2018-priorities">https://www.blackrock.com/corporate/about-us/investment-stewardship/voting-guidelines-reports-position-papers#2018-priorities</a></p>	

Listed equity – (Proxy) Voting

Do you disclose?

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	
<ul style="list-style-type: none"><li><input type="radio"/> Explain all voting decisions</li><li><input checked="" type="radio"/> Explain some voting decisions</li><li><input type="radio"/> Only explain abstentions and votes against management</li><li><input type="radio"/> No explanations provided</li></ul>	
Frequency	
<ul style="list-style-type: none"><li><input type="checkbox"/> Quarterly</li><li><input type="checkbox"/> Biannually</li><li><input type="checkbox"/> Annually</li><li><input type="checkbox"/> Less frequently than annually</li><li><input checked="" type="checkbox"/> Ad hoc/when requested</li></ul>	
URL	
<a href="https://www.blackrock.com/corporate/about-us/investment-stewardship/voting-guidelines-reports-position-papers#engagement-and-voting-reports">https://www.blackrock.com/corporate/about-us/investment-stewardship/voting-guidelines-reports-position-papers#engagement-and-voting-reports</a>	

Listed equity - Incorporation

Do you disclose?

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

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

**Private equity**

**Do you disclose?**

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

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

**Property**

Do you disclose?

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

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

Selection, Appointment and Monitoring

Do you disclose?

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

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

<b>SG 19.2</b>	<b>Additional information [Optional]</b>
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BlackRock's Private Equity Partners (PEP) provides ESG updates to investors as part of periodic portfolio review sessions. In addition, PEP holds detailed annual ESG update meetings with separate account clients upon request. Update meetings may provide detailed information on the yearly progress in further developing/ refining PEP's ESG implementation approach, overview on portfolio ESG due diligence scores, information on monitoring activity and discussion of case studies. More broadly, PEP is working to develop standard ESG client reporting to share with clients in our commingled vehicles.

BlackRock manages 100% of assets internally, and does not have any externally managed assets. However, because the PRI reporting tool requires externally managed assets to enable reporting of our advisory activities under the SAM module, we have elected to identify our Client Portfolio Solutions (OCIO) and Private Equity Partners fund of funds assets as externally managed.

# BlackRock

## Reported Information

### Public version

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

## PRI disclaimer

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

## Listed Equity and Fixed Income Strategies

SAM 01

Mandatory

Public

Gateway

PRI 1

**SAM 01.1**

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

### Active investment strategies

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

### Passive investment strategies

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

**SAM 01.2**

Additional information. [Optional]

The majority of our client assets in Fixed Income SSA are run passively, in which cases the ESG incorporation does not apply. However, Emerging Markets Fixed Income SSA is run actively. In cases where we are asked to comment on ESG incorporation within Fixed Income SSA, our responses are only relevant for client Emerging Markets assets.

## Selection



<b>SAM 02.1</b>	Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers
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	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised	Private equity		
Investment strategy and how ESG objectives relate to it	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
ESG incorporation requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
ESG reporting requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
No RI information covered in the RFPs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

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

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

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

ESG people/oversight

	LE	FI - SSA	FI - Corporate (financial)?	FI - Corporate (non-financial)?	FI - Securitised?	Private equity		
Assess ESG expertise of investment teams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review how is ESG implementation enforced /ensured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Review the manager's RI-promotion efforts and engagement with the industry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Process/portfolio construction/investment valuation

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

**SAM 02.3**

Indicate the selection process and its ESG/RI components

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

**SAM 02.4**

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

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

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

Existence of ESG incorporation into the investment process

Private Equity: Incorporation of ESG into the incentives of underlying portfolio companies and management

**SAM 02.5**

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

The majority of our client assets in Fixed Income SSA are run passively, in which cases the ESG incorporation does not apply. However, Emerging Markets Fixed Income SSA is run actively. In cases where we are asked to comment on ESG incorporation within Fixed Income SSA, our responses are only relevant for client Emerging Markets assets. For non-Emerging Markets Fixed Income SSA assets, the ESG incorporation is limited to the ability of the manager to screen out companies that are not permitted for the mandate.

In order to consistently capture the ESG features of the strategies we monitor, the Manager Research team has been developing ESG scorecards to supplement strategy Investment and Operational scorecards. These ESG scorecards describe how a manager is incorporating ESG information into the investment process of the strategy

and to what extent the manager can tailor a separately managed account to the specific ESG policies of clients. The qualitative component of the ESG scorecard is accompanied by a series of quantitative metrics. The Manager Research team leverages data and analytics developed by MSCI that provide a holistic rating of the aggregate ESG quality of fund holdings. These ratings are contextualized using robust MSCI universe data, allowing researchers to calculate and consider ESG standings compared to comparable strategies offered by other investment managers. ESG philosophies vary across our global client base and providing detailed and systematic information around RI and ESG capabilities of managers has helped us integrate client-specific ESG principles into manager selection. At this point, ESG capabilities are a binary criterion in our selection process; an investment manager is either able to integrate ESG consideration in the investment process for the mandate under consideration or not. We don't assign scores that would suggest that one approach to ESG integration is superior to another.

When evaluating General Partners, Blackrock's Private Equity Partners team seeks to understand how those General Partners work with their portfolio companies and incentivize managers to focus on ESG issues. We also assess this through our third party diligence calls when we speak to CEO's of portfolio companies. This assessment is critical in understanding not only the ESG process and philosophy of a manager but how they put ESG practices to the forefront of the underlying investments.

## Appointment

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

- Sets standard benchmarks or ESG benchmarks
- Defines ESG objectives
- Sets incentives and controls linked to the ESG objectives
- Requires reporting on ESG objectives
- Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- None of the above
- None of the above, we invest only in pooled funds and have a thorough selection process

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

**Asset class**

- Listed equity (LE)

**Benchmark**

- Standard benchmark
- ESG benchmark, specify

**ESG Objectives**

- ESG related strategy, specify
- ESG related investment restrictions, specify

Subject to ESG restricted list of securities and incorporating ESG in the investment process

- ESG integration, specify
  - Engagement, specify
  - Voting, specify
- Exercise voting rights on behalf of the client if permitted by the client**

- Promoting responsible investment
  - ESG specific improvements
  - ESG guidelines/regulation, principles/standards, specify
- Restrictions pertaining to RI related legislation in European jurisdictions, i.e. cluster munitions and anti-personnel landmines**
- Other, specify

#### Incentives and controls

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

#### Reporting requirements

- Monthly
  - Quarterly
  - Bi-annually
  - Annually
  - Ad-hoc/when requested
- Fixed income - SSA (SSA)

#### Benchmark

- Standard benchmark, specify
- Barclays**
- ESG benchmark, specify

#### ESG Objectives

- ESG related strategy, specify
  - ESG related investment restrictions, specify
- Subject to ESG restricted list of securities and incorporating ESG in the investment process**
- ESG integration, specify
  - Engagement, specify
  - Voting, specify
  - Promoting responsible investment
  - ESG specific improvements
  - ESG guidelines/regulation, principles/standards, specify
- Restrictions pertaining to RI related legislation in European jurisdictions, i.e. cluster munitions and anti-personnel landmines**

Other, specify

#### Incentives and controls

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

#### Reporting requirements

- Ad-hoc/when requested
  - Annually
  - Bi-annually
  - Quarterly
  - Monthly
- Fixed income - Corporate (financial)

#### Benchmark

- Standard benchmark, specify  
**Barclays**
- ESG benchmark, specify

#### ESG Objectives

- Other, specify
- ESG related strategy, specify
- ESG related investment restrictions, specify  
**Subject to ESG restricted list of securities and incorporating ESG in the investment process**
- ESG integration, specify
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- ESG guidelines/regulation, principles/standards, specify  
**Restrictions pertaining to RI related legislation in European jurisdictions, i.e. cluster munitions and anti-personnel landmines**

#### Incentives and controls

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



## Reporting requirements

- Ad-hoc/when requested
  - Annually
  - Bi-annually
  - Quarterly
  - Monthly
- Fixed income - Corporate (non-financial)

## Benchmark

- Standard benchmark, specify  
**Barclays**
- ESG benchmark, specify

## ESG Objectives

- Other, specify
- ESG related strategy, specify
- ESG related investment restrictions, specify  
**Subject to ESG restricted list of securities and incorporating ESG in the investment process**
- ESG integration, specify
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- ESG guidelines/regulation, principles/standards, specify  
**Restrictions pertaining to RI related legislation in European jurisdictions, i.e. cluster munitions and anti-personnel landmines**

## Incentives and controls

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

## Reporting requirements

- Ad-hoc/when requested
  - Annually
  - Bi-annually
  - Quarterly
  - Monthly
- Fixed income - Securitised

## Benchmark

- Standard benchmark, specify

**Subject to ESG restricted list of securities and incorporating ESG in the investment process**

- ESG benchmark, specify

## ESG Objectives

- ESG related strategy, specify
- ESG related investment restrictions, specify
- ESG integration, specify
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- ESG guidelines/regulation, principles/standards, specify

**Restrictions pertaining to RI related legislation in European jurisdictions, i.e. cluster munitions and anti-personnel landmines**

## Incentives and controls

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

## Reporting requirements

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

### SAM 04.4

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

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

## Monitoring

SAM 05

Mandatory

Public

Core Assessed

PRI 1

SAM 05.1

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

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

**SAM 05.2**

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

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

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

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

## Outputs and outcomes

<b>SAM 08</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**SAM 08.1** Describe how you ensure that best RI practice is applied to managing your assets

- Encourage improved RI practices with existing investment managers

### Measures

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

- Move assets over to investment managers with better RI practices
- Other, specify

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

### Measures

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

- None of the above

<b>SAM 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,6</b>
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**SAM 09.1**

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

Add Example 1

Topic or issue	Reporting / Transparency
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Fixed income – securitised <input type="checkbox"/> Private equity
Scope and process	Property: In selecting a specialist property manager for a client, we requested participation in the GRESB transparency initiative as requirement to win the mandate.
Outcomes	Property: The selected investment manager, which did not previously participate, signed up to the GRESB initiative.

Add Example 2

Topic or issue	Carbon emissions
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input checked="" type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Fixed income – securitised <input type="checkbox"/> Private equity
Scope and process	Requested all relevant investment managers to develop capabilities to measure and report carbon emissions associated to their mandate.
Outcomes	All investment managers of our client mandates (equities and corporate credit) are now able to report carbon emissions related to their mandate.

Add Example 3

Topic or issue	Lack of structured investment and reporting governance
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Fixed income – securitised <input checked="" type="checkbox"/> Private equity
Scope and process	Conducted in-depth analysis of manager investment process and governance
Outcomes	After having declined previous fund due to concerns arising from due diligence, BlackRock got comfortable with manager's adapted investment governance and monitoring making the fund investable for us. Today, the fund is considered as best practice from an ESG standpoint.

Add Example 4

Topic or issue	Transparency
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Fixed income – securitised <input checked="" type="checkbox"/> Private equity
Scope and process	Requested additional transparency on ESG related risks and improvement plans (e.g., energy efficiency) for current fund holdings as part of secondary transaction
Outcomes	After having engaged in conversation on the ESG analysis with the manager, BlackRock decided to invest in the fund.

Add Example 5

We are not able to provide examples



# BlackRock

## Reported Information

### Public version

### Direct - Listed Equity Incorporation

## PRI disclaimer

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

## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 01

Mandatory

Public

Core Assessed

PRI 1

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

LEI 01.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)

#### ESG incorporation strategy (select all that apply)

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

Percentage of active listed equity to which the strategy is applied	 4
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Thematic alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied	 1
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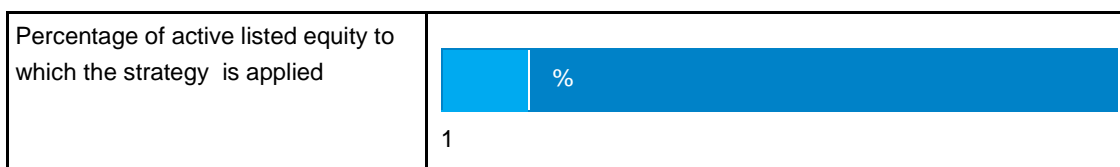
Integration alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied	 30
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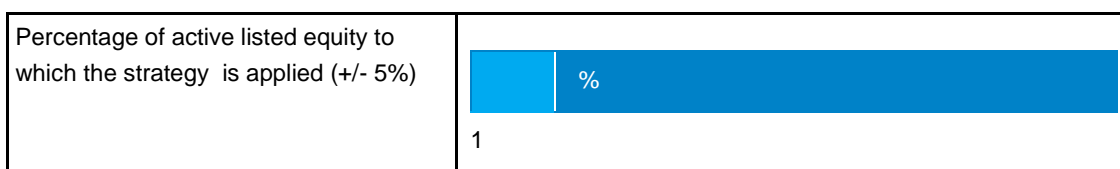
Screening and integration strategies

Percentage of active listed equity to which the strategy is applied	 1
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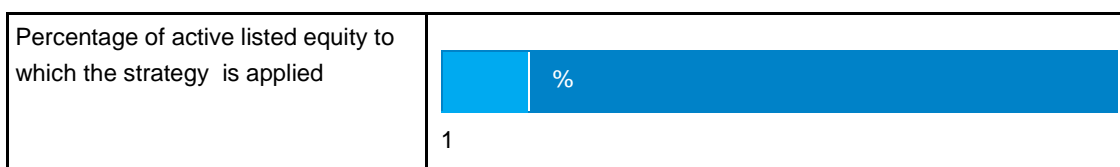
Thematic and integration strategies



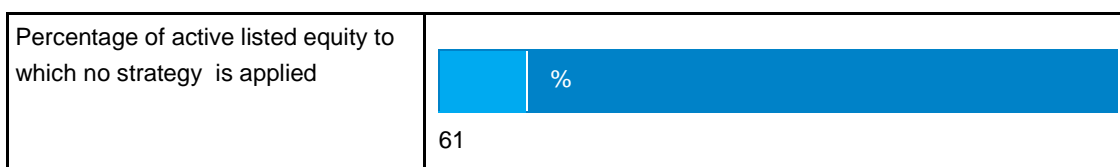
Screening and thematic strategies



All three strategies combined



We do not apply incorporation strategies





100%

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

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

**BlackRock's Systematic Active Equity (SAE) Approach:**

At the core of SAE's investment philosophy is a belief that the investment landscape is continuously changing. Innovation is required in order for any successful investment approach to adapt. For this reason SAE has always placed an exceptionally strong emphasis on research and innovation at the heart of its investment process. We aim to achieve optimal investment outcomes by leveraging the skills of knowledgeable investment people with the use of technology. It is this belief that has led us to build a technology-enabled investment process capable of taking a fresh, up-to-date view on every stock in the underlying investment universe on a daily basis.

SAE's work now extends this approach to ESG and sustainability. Today's world is filled with complex societal challenges and publicly listed companies have important interaction with the community around them. We believe that the outcomes of companies' actions matter - both positive and negative - and investors are seeking ways to incorporate these societal outcomes into risk and return adjusted portfolios. At the same time, companies are not required to report about how they interact with society so there is a need to incorporate new information and insights to deliver ESG and sustainability outcomes. Increasingly, important information about companies is becoming available through less traditional means - through the massive amount of data often generated through the very stakeholders in these companies: employees, customers, and regulators. Data proliferation means that while there is not a standard requirement or method for reporting ESG/impact outcomes, there is an opportunity to access and analyze unstructured information and incorporate it into portfolios alongside more traditional information sources. No matter the data source, this critical information can be analyzed for potential contributions to portfolio construction.

BlackRock's SAE team has over 30 years of innovation and performance across global equity markets and specializes in analyzing and forecasting economic behavior. We are alpha investors and our approach to ESG is oriented around the observable outcomes of ESG matters that allow us to quantify issues that are many times deemed qualitative - and incorporate them into portfolios.

SAE portfolio construction process begins with research to identify ideas that can be implemented as investment insights. Investment insights are assessed from within SAE and from external sources such as academic consultation and industry research. Researchers, portfolio managers, and investment strategists work in tandem to explore, discuss, and develop new investment insights. Once we believe that an idea has sufficient intuition and fundamental insight, the research teams are responsible for rigorously evaluating each potential insight.

Before any investment insight is utilized within the investment process, it must pass four categories of tests: Sensible, Predictive, Consistent, and Additive.

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

SAE designs ESG/sustainability societal impact portfolios by researching ideas through a rigorous, disciplined method. We believe the ability to process and analyze vast information generated both by and about companies is critical to success.

**BlackRock's Fundamental Active Equity (FAE) Approach:**

BlackRock's Fundamental Active Equity team believes the analysis of ESG as part of fundamental research can provide additional insights into the risk profile of an investment and ultimately lead to more informed investment decisions. Our aim is to identify and evaluate material ESG risks alongside other fundamental risks, company financials and valuation metrics.

BlackRock's Fundamental Active Equity research team has integrated ESG information into our research templates through the BlackRock ESG Risk Window. The BlackRock ESG Risk Window supplements investment decisions by identifying potential perceived ESG risks to a company. Instead of using an aggregate score or ranking to indicate a company's overall ESG performance, the Risk Window aims to provide portfolio managers and analysts with the most relevant underlying risk drivers and indicates whether or not the company is managing that risk. This suggests areas for further research and engagement with companies to more accurately assess each risk. ESG risks are not considered at the expense of financial return, however; we believe over the long term that ESG considerations can be material with the potential to impact financial returns and therefore should be considered alongside other risks that impact equity valuation. By using ESG data in our research template and combining it with our in-depth fundamental approach, we believe we are well positioned to evaluate ESG factors and the impact they will have on an investment.

LEI 01.3	If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]
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**BlackRock's Systematic Active Equity (SAE) Approach:**

SAE's ESG work has a primary focus on ESG/sustainability outcomes in a return oriented portfolios that take into account outcomes in specific areas: the environment, corporate citizenship (which includes both social and governance outcomes), and health outcomes. Select, hard exclusions are used. And at the same time all securities in the universe are ranked on both ESG and return profile characteristics in order to construct ESG oriented portfolios. Exclusions may be based on investor preferences, and not only UN norms.

LEI 02	Voluntary	Public	Additional Assessed	PRI 1
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LEI 02.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.
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**Type of ESG information**

- Raw ESG company data

**Indicate who provides this information**

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

**Indicate who provides this information**

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

**Indicate who provides this information**

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

**Indicate who provides this information**

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

**Indicate who provides this information**

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

<b>LEI 02.2</b>	Provide a brief description of the ESG information used, highlighting any different sources of information across your ESG incorporation strategies.
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The SAE team's differentiated research capabilities and cutting edge data analysis tools broaden the data sources available for potential implementation through investment insights. For example, data consumed in investment models and portfolios can be from traditional, structured information that is often gathered and normalized by a third party. It can also include data that is "unstructured," often available in raw form without another perspective that guides data gathering and interpretation. Whether data is structured or unstructured, SAE analyzes information to fit with its research and vetting norms.

Our SAE team conducts significant proprietary research on all topics, including ESG, before incorporating insights into portfolios. The Journal of Investment Management awarded a Henry Markowitz Distinction award to SAE's published submission about carbon emissions, for example.

<b>LEI 02.3</b>	Indicate if you incentivise brokers to provide ESG research.
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- Yes
- No

<b>LEI 03</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>LEI 03.1</b>	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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- Engagement
  - We have a systematic process to ensure the information is made available.
  - We occasionally make this information available.
  - We do not make this information available.
- (Proxy) voting
  - We have a systematic process to ensure the information is made available.
  - We occasionally make this information available.
  - We do not make this information available.

<b>LEI 03.2</b>	Additional information. [Optional]
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Where an engagement shapes our thinking on the quality of management or board leadership, key factors in sustainable long-term value, BlackRock Investment Stewardship team members aim to ensure that portfolio managers are aware of their views.

## (A) Implementation: Screening

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

- Negative/exclusionary screening

**Screened by**

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

Description

Institutional investors using segregated mandates exclude certain securities for a wide range of reasons.

Commingled accounts often share certain narrow exclusions.

- Positive/best-in-class screening

**Screened by**

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

Description

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

- Norms-based screening

**Screened by**

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

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

<b>LEI 04.2</b>	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
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While BlackRock does not have an exclusion list for all strategies, we are experienced in applying exclusion lists on a specific portfolio or group of portfolios. These guidelines can be client directed or we can implement independent third party screens and may exclude areas such as fossil fuel, alcohol, tobacco, gambling, weapons or adult entertainment. In certain portfolios, exclusions include companies involved in violations of international norms and conventions on environment, human rights, working conditions and business ethics, such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises. We are also constructing consistent screens for common issue areas, including fossil fuels, for investors that do not have pre-defined exclusion lists.

<b>LEI 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>LEI 05.1</b>	Indicate which processes your organisation uses to ensure screening is based on robust analysis.
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- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Review and evaluation of external research providers
- Other, specify  
  - Extensive and proprietary internal research
  - None of the above

<b>LEI 05.3</b>	Indicate how frequently third party ESG ratings are updated for screening purposes.
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- Quarterly or more frequently
- Bi-annually
- Annually
- Less frequently than annually

<b>LEI 05.5</b>	Additional information. [Optional]
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BlackRock's Systematic Active Equity (SAE) Approach:

Individuals most involved with ESG research, portfolio management, and strategy regularly meet to assess and prioritize the research agenda. This process includes reviewing internally generated ideas, discussing academic and industry research, sharing input from conferences and convening events (whether related specifically to ESG or to more general investment themes) and considering how new or emergent issue areas



of ESG/ sustainability outcomes may come to fruition in the Team's investable universe. These ongoing discussions yield a deep agenda of issue areas for further consideration, some which will eventually become investment insights implemented in the Team's portfolios and some which will inform future thinking even if not incorporated into a live portfolio. The areas for research pipeline center around environment, and citizenship (social and governance) and extend to include new research as well as incremental enhancements to existing research insights.

<b>LEI 06</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>LEI 06.1</b>	Indicate which processes your organisation uses to ensure fund criteria are not breached
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- Systematic checks are performed to ensure that stocks meet the funds' screening criteria.
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- Audits of fund holdings are undertaken regularly by internal audit function
- Periodic auditing/checking of the organisations RI funds by external party
- Other, specify  
Active portfolio management team regularly reviews portfolio positions
- None of the above

<b>LEI 06.2</b>	If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.
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For sustainable investment mandates that employ screening, BlackRock's portfolio compliance team will use either the services of an integrated ESG research and ratings platform or a specific list of issuers provided by the client to identify the issuers to be excluded. Portfolio compliance will code these restricted issuers into the respective portfolio management systems to ensure the mandate is prevented from purchasing the issuers. Portfolio compliance periodically updates the restricted lists based on new ESG research to ensure we are capturing all relevant and only applicable issuers. Portfolio compliance monitors all issuers on a pre- and post-trade basis and if a name was added as a result of the new update or in the event of a corporate action, portfolio compliance will notify portfolio management of the exception and work with them to divest the security.

## (B) Implementation: Thematic

<b>LEI 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>LEI 07.1</b>	Indicate the type of sustainability thematic funds or mandates your organisation manages.
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- Environmentally themed funds
- Socially themed funds
- Combination of themes

**LEI 07.2**

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

At BlackRock, we define sustainable investing as the combination of traditional investment approaches with environmental, social, and governance (ESG) insights to mitigate risk and enhance long-term return. We believe sustainability-related issues - ranging from board composition to human capital management to climate change - have real financial impacts. We are passionate about providing our clients with a clear picture of the relationship between sustainability issues, risk and long-term financial performance. With this picture in focus, we deliver investment solutions that empower our clients to better meet their financial objectives.

BlackRock currently manages a broad suite of dedicated sustainable investment solutions, ranging from green bonds and renewable infrastructure to thematic strategies that allow clients to align their capital with the UN Sustainable Development Goals. BlackRock is the largest provider of sustainable ETFs, including the industry's largest low-carbon ETF; we manage one of the largest renewable power funds globally, and we are the first asset manager to offer portfolio-level impact reporting for a co-mingled green bond product. With deep expertise in alpha-seeking and index strategies, across public equity and debt, private renewable power, commodities and real asset strategies, we are continuing to build scalable products and customized solutions across asset classes. We do not view this as an exercise in trading return for social outcomes. Instead, by identifying scalable, sustainable investment solutions that can enhance long-term returns, we can improve financial outcomes for our clients and accelerate the adoption of sustainable business practices globally.

**BlackRock's Systematic Active Equity (SAE) Approach:**

SAE portfolio construction process begins with research to identify ideas that can be implemented as investment insights. Investment insights are assessed from within SAE and from external sources such as academic consultation and industry research. Researchers, portfolio managers, and investment strategists work in tandem to explore, discuss, and develop new investment insights. Once we believe that an idea has sufficient intuition and fundamental insight, the research teams are responsible for rigorously evaluating each potential insight.

Before any investment insight is utilized within the investment process, it must pass four categories of tests: sensible, predictive, consistent, and additive.

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




SAE designs ESG/sustainability societal impact portfolios by researching ideas through a rigorous, disciplined method. We believe the ability to process and analyze vast information generated both by and about companies is critical to success.

**(C) Implementation: Integration of ESG issues**

<b>LEI 08</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**LEI 08.1**

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

ESG issues	Proportion impacted by analysis
Environmental	 <p>Environmental</p> <p><input type="radio"/> &lt;10%</p> <p><input checked="" type="radio"/> 10-50%</p> <p><input type="radio"/> 51-90%</p> <p><input type="radio"/> &gt;90%</p>
Social	 <p>Social</p> <p><input type="radio"/> &lt;10%</p> <p><input checked="" type="radio"/> 10-50%</p> <p><input type="radio"/> 51-90%</p> <p><input type="radio"/> &gt;90%</p>
Corporate Governance	 <p>Corporate Governance</p> <p><input type="radio"/> &lt;10%</p> <p><input checked="" type="radio"/> 10-50%</p> <p><input type="radio"/> 51-90%</p> <p><input type="radio"/> &gt;90%</p>

**LEI 08.2** Additional information. [Optional]

BlackRock's Fundamental Active Equity (FAE) Approach:

BlackRock's FAE team believes the analysis of ESG as part of fundamental research can provide additional insights into the risk profile of an investment and ultimately lead to more informed investment decisions. Our aim is to identify and evaluate material ESG risks alongside other fundamental risks, company financials and valuation metrics.

BlackRock's FAE research team has integrated ESG information into our research templates through the BlackRock ESG Risk Window. The BlackRock ESG Risk Window identifies potential ESG risks to a company. Instead of using an aggregate score to indicate a company's ESG performance, the Risk Window flags the most relevant underlying risk drivers and indicates company's management of the risk. This suggests areas for further research and engagement with companies to more accurately assess each risk. ESG risks are not considered at the expense of financial return; we believe over the long term that ESG considerations can be material with the potential to impact financial returns and therefore should be considered alongside other risks that impact equity valuation. Combining ESG data with our in-depth fundamental approach, we believe we are well positioned to evaluate the impact ESG risks will have on an investment.

LEI 09

Voluntary

Public

Additional Assessed

PRI 1

**LEI 09.1**

Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products

**LEI 09.2**

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

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

- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies

- Third-party ESG ratings are updated regularly.

**LEI 09.3**

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

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

- A periodic review of the internal research is carried out

**LEI 09.4**

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

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

- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team

- ESG risk profile of a portfolio against benchmark

- Other, specify

- None of the above

**LEI 09.5**

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

- ESG information is held within centralised databases or tools and it is accessible by all relevant staff

- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff

- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions

- Other, specify

- None of the above

LEI 09.6

Additional information.[Optional]

**BlackRock's Systematic Active Equity (SAE) Approach:**

Individuals most involved with ESG research, portfolio management, and strategy regularly meet to assess and prioritize the research agenda. This process includes reviewing internally generated ideas, discussing academic and industry research, sharing input from conferences and convening events (whether related specifically to ESG or to more general investment themes) and considering how new or emergent issue areas of ESG/sustainability outcomes may come to fruition in the Team's investable universe. These ongoing discussions yield a deep agenda of issue areas for further consideration.

**BlackRock's Fundamental Active Equity (FAE) Approach:**

BlackRock's FAE research team has integrated ESG information into our research templates through the BlackRock ESG Risk Window. The BlackRock ESG Risk Window identifies potential ESG risks to a company. Instead of using an aggregate score to indicate a company's ESG performance, the Risk Window flags the most relevant underlying risk drivers and indicates company's management of the risk. This suggests areas for further research and engagement with companies to more accurately assess each risk.

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

LEI 10.1

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

Economic analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 11-50%
- 51-90%
- 90%

Industry analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 11-50%
- 51-90%
- 90%

Quality of management

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 11-50%
- 51-90%
- 90%

Analysis of company strategy

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 11-50%
- 51-90%
- 90%

Portfolio weighting

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 11-50%
- 51-90%
- 90%

**LEI 10.2a**

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

- Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- Adjustments to valuation tools (discount rates, terminal value)
- Other adjustments to fair value projections, specify

As quantitative and systematic active investors, we use overweights and underweights to express our research views.

**LEI 10.3**

Describe how you integrate ESG information into portfolio weighting.

BlackRock's Systematic Active Equity (SAE) Approach:

As quantitative and systematic active investors, we use overweights and underweights to express our research views.

**LEI 10.4a**

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

BlackRock's Systematic Active Equity (SAE) Approach:

As quantitative and systematic active investors, we use overweights and underweights to express our research views. This action distills and expresses our view of a security and its performance forecast.

BlackRock's Fundamental Active Equity (FAE) Approach:

ESG risks are not considered at the expense of financial return; we believe over the long term that ESG considerations can be material with the potential to impact financial returns and therefore should be considered alongside other risks that impact equity valuation. Using ESG data in our research template

and combining it with our in-depth fundamental approach we believe we are well positioned to evaluate ESG factors and the impact they will have on an investment.

Fair value/fundamental analysis

	Proportion of actively managed listed equity exposed to investment analysis
<input type="radio"/>	<10%
<input type="radio"/>	11-50%
<input type="radio"/>	51-90%
<input checked="" type="radio"/>	90%

<b>LEI 10.2b</b>	Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.
<input checked="" type="checkbox"/>	Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
<input type="checkbox"/>	Adjustments to valuation tools (discount rates, terminal value)
<input type="checkbox"/>	Other adjustments to fair value projections, specify

<b>LEI 10.4b</b>	Describe the methods you have used to adjust the income forecast / valuation tool
BlackRock's Fundamental Active Equity (FAE) Approach:	
ESG risks are not considered at the expense of financial return; we believe over the long term that ESG considerations can be material with the potential to impact financial returns and therefore should be considered alongside other risks that impact equity valuation. Using ESG data in our research template and combining it with our in-depth fundamental approach we believe we are well positioned to evaluate ESG factors and the impact they will have on an investment.	
<input type="checkbox"/>	Other, specify

**ESG incorporation in passively managed listed equities**

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

<b>LEI 11.2</b>	Indicate the percentage of your total passive listed equity funds for which ESG issues are incorporated in the index construction methodology.
-----------------	--

(% of total passive listed equity funds)

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

**LEI 11.3**

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

Index/fund 1

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Fund Name: iShares MSCI USA ESG Select ETF Index Name: MSCI USA ESG Select Index	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

Index/fund 2

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Fund Name: iShares Global Clean Energy ETF Index Name: S&P Global Clean Energy Index	<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

Index/fund 3

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Fund Name: Japan ex-Controversial Weapons Index Fund B Index Name: MSCI Japan ex-Controversial Weapons Index	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

Index/fund 4



Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Fund Name: US Large Cap Carbon Efficient Equity Index NL Fund B Index Name: S&P US Carbon Efficient Index	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

Index/fund 5

No

<b>LEI 11.4</b>	Additional information. [Optional]
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The reporting framework does not allow us to list all of our passive strategies which employ screens, themes, or ESG integration, or a combination. A more inclusive list follows below. The strategies are reflective of our ETFs and mutual funds. In addition to these funds, we manage passive equity strategies that incorporate ESG factors via separately managed accounts and Collective Investment Funds.

Fund Name: iShares MSCI USA ESG Select ETF

Index Name: MSCI USA ESG Select Index

Fund Name: iShares MSCI KLD 400 Social ETF

Index Name: MSCI KLD 400 Social Index

Fund Name: iShares MSCI EAFE ESG Optimized ETF

Index Name: MSCI EAFE ESG Focus Index

Fund Name: iShares MSCI EM ESG Optimized ETF

Index Name: MSCI EM ESG Focus Index

Fund Name: iShares MSCI USA ESG Optimized ETF

Index Name: MSCI USA ESG Focus Index

Fund Name: iShares ESG 1-5 Year USD Corporate Bond  
ETF

Index Name: Bloomberg Barclays MSCI US Corporate 1-5 Year ESG Focus Index

Fund Name: iShares ESG USD Corporate Bond ETF

Index Name: Bloomberg Barclays MSCI US Corporate ESG Focus Index

Fund Name: iShares Global Clean Energy ETF

Index Name: S&P Global Clean Energy Index

Fund Name: iShares MSCI ACWI Low Carbon Target ETF

Index Name: MSCI ACWI Low Carbon Target Index

Fund Name: iShares MSCI Global Impact ETF

Index Name: MSCI ACWI Sustainable Impact Index

Fund Name: iShares Dow Jones Eurozone Sustainability Screened UCITS ETF

Index Name: Dow Jones Sustainability Eurozone Index ex Alcohol, Tobacco, Gambling, Armaments & Firearms and Adult Entertainment

Fund Name: iShares Dow Jones Global Sustainability Screened UCITS ETF

Index Name: Dow Jones Sustainability World Enlarged Index ex Alcohol, Tobacco, Gambling, Armaments & Firearms and Adult Entertainment

Fund Name: iShares MSCI Japan SRI EUR Hedged UCITS ETF

Index Name: MSCI Japan SRI 100% Hedged to EUR Index

Fund Name: iShares MSCI Japan SRI UCITS ETF

Index Name: MSCI Japan SRI Index

Fund Name: iShares MSCI USA SRI UCITS ETF  
 Index Name: MSCI USA SRI Index  
 Fund Name: iShares MSCI EM SRI UCITS ETF  
 Index Name: MSCI EM SRI Index  
 Fund Name: iShares MSCI Europe SRI UCITS ETF  
 Index Name: MSCI Europe SRI Index  
 Fund Name: iShares MSCI World SRI UCITS ETF  
 Index Name: MSCI World SRI Index  
 Fund Name: iShares Global Clean Energy UCITS ETF  
 Index Name: S&P Global Clean Energy Index  
 Fund Name: iShares Global Water ETF  
 Index Name: S&P Global Water Index  
 Fund Name: iShares Green Bond Index Fund  
 Index Name: BBG Barc Global Green Bond 100% EUR Hedged Index  
 Fund Name: iShares MSCI World Islamic UCITS ETF  
 Index Name: MSCI World Islamic Index  
 Fund Name: iShares MSCI USA Islamic UCITS ETF  
 Index Name: MSCI USA Islamic Index  
 Fund Name: iShares MSCI EM Islamic UCITS ETF  
 Index Name: MSCI EM Islamic Index

## Outputs and outcomes

LEI 12	Voluntary	Public	Descriptive	PRI 1
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LEI 12.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.
----------	---

Screening

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

Minimal exclusions are used to reduce the investible universe

Specify the percentage reduction (+/- 5%)

%

1

Thematic

Integration of ESG issues

Select which of these effects followed your ESG integration:

- Reduce or prioritise the investment universe
- Overweight/underweight at sector level
- Overweight/underweight at stock level
- Buy/sell decisions
- Other, specify
- None of the above
- Index incorporating ESG issues (for passively managed funds)

Describe the influence on composition or other effects

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

LEI 12.2

Additional information.[Optional]

Our systems do not track assets in a manner called for by item LEI 12.1. Therefore, our response represents a good faith estimate but may not ultimately be accurate.

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

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

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

LEI 13

Voluntary

Public

Additional Assessed

PRI 1

LEI 13.1

Indicate whether your organisation measures how your approach to responsible investment in Listed Equity has affected your portfolio's financial and/or ESG performance.

- We measure whether our approach to ESG issues impacts funds' reputation
- We measure whether our approach to ESG issues impacts funds' financial performance: return

b) Funds' financial performance: return

Describe the impact on:	Describe the impact	Which strategies were analysed?
Funds' financial performance: return	<input type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact	<input type="checkbox"/> Screening <input type="checkbox"/> Integration <input type="checkbox"/> Thematic <input type="checkbox"/> Index construction (passive funds)

We measure whether our approach to ESG issues impacts funds' financial performance: risk

c) Funds' financial performance: risk

Describe the impact on:	Describe the impact	Which strategies were analysed?
Funds' financial performance: risk	<input type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact	<input type="checkbox"/> Screening <input type="checkbox"/> Integration <input type="checkbox"/> Thematic <input type="checkbox"/> Index construction (passive funds)

We measure whether our approach to ESG issues impacts funds' ESG performance

Describe the impact on:	Describe the impact	Which strategies were analysed?
Funds' ESG performance	<input type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact	<input type="checkbox"/> Screening <input type="checkbox"/> Integration <input type="checkbox"/> Thematic <input type="checkbox"/> Index construction (passive funds)

None of the above

**LEI 13.2** Describe how you are able to determine these outcomes.

The Risk & Quantitative Analysis Group leads BlackRock's portfolio risk analytics efforts by providing independent top-down and bottom-up oversight. RQA partners with BlackRock's investment teams to ensure that risks in the portfolio are consistent across each strategy, with the team's current investment themes, and with each client's formal risk constraints. RQA is also responsible for counterparty and operational risk management. As of 31 December 2017, RQA is composed of over 250 risk professionals, in over 20 different office locations across the globe. Members of RQA have specialized knowledge of each type of portfolio that BlackRock manages. RQA seeks to identify and properly measure key risks for each portfolio type. Actual investment performance is attributed to returns on different types of risk. RQA communicates proactively with portfolio managers to help them position portfolios and fully utilize BlackRock Solutions' analytical capabilities.

We subject portfolios to a battery of pre-defined stress tests. RQA creates scenarios to shock portfolios and 'what if' analysis on individual securities or macroeconomic scenarios. RQA analysts frequently meet with portfolio managers and researchers to review portfolios using internal stress tests and risk metrics.

<b>LEI 14</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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LEI 14.1

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

ESG issue 1

ESG issue and explanation	
Environment	
ESG incorporation strategy applied	
<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies <input type="checkbox"/> Index incorporating ESG issues	
Impact on investment decision or performance	
The criterion was used in strategies in 2017 to drive portfolio construction of dedicated ESG strategies within the Systematic Active Equities (SAE) group.	

ESG issue 2

ESG issue and explanation	
Corporate Citizenship (social and governance)	
ESG incorporation strategy applied	
<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies <input type="checkbox"/> Index incorporating ESG issues	
Impact on investment decision or performance	
The criterion was used in strategies in 2017 to drive portfolio construction of dedicated ESG strategies within the Systematic Active Equities (SAE) group.	

ESG issue 3

ESG issue and explanation
Health outcomes
ESG incorporation strategy applied
<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies <input type="checkbox"/> Index incorporating ESG issues
Impact on investment decision or performance
The criterion was used in strategies in 2017 to drive portfolio construction of dedicated ESG strategies within the Systematic Active Equities (SAE) group.

ESG issue 4

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

ESG issue 5

# BlackRock

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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

## Engagement

### Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

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

LEA 01.1

Indicate whether your organisation has a formal engagement policy.

Yes

LEA 01.2

Attach or provide a URL to your engagement policy.

Attachment provided:

URL provided:

URL

<https://www.blackrock.com/corporate/about-us/investment-stewardship/voting-guidelines-reports-position-papers>

LEA 01.3

Indicate what your engagement policy covers:

- Conflicts of interest
- Insider information
- Alignment with national stewardship code requirements
- Due diligence and monitoring process
- Prioritisation of engagements
- Transparency of engagement activities
- Environmental factors
- Social factors
- Governance factors
- Other, describe
- None of the above



**LEA 01.4****Provide a brief overview of your organization's approach to engagement**

Engagement provides BlackRock with the opportunity to improve our understanding of portfolio companies and their governance structures to better inform our voting and investment decisions. Engagement also allows us to share our philosophy and approach to investment and corporate governance with issuers to enhance their understanding of our objectives. When engaging companies, we use a range of approaches that depend on the nature of the issue under consideration, the company and the sector. The team collaborates and/or consults with fundamental portfolio managers who have market-, sector- and company-specific expertise. We assess each company's case on its merits and are pragmatic unless we believe that an immediate response is required. We focus our efforts on what we consider to be material to the long-term financial stability of the company concerned.

{\*Please see Additional Information section for continuation of this response.}

No

**LEA 01.6****Additional information [optional]**

\*From LEA 01.6: Engagement is not a single conversation. We have ongoing private dialogue with companies to clarify our views and explain how we evaluate their actions on relevant ESG issues. We engage with companies on a range of ESG issues both in the course of regular in-person meetings as well as when an ESG issue is of sufficient severity to require a meeting solely on that matter. BlackRock's standing as a long-term, constructive investor means companies are generally interested to understand our perspective. In our engagements we address all issues of relevance to company performance, including ESG issues.

BlackRock's approach to corporate governance and stewardship is detailed in our Global Corporate Governance and Engagement Principles (<https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-1engprinciples-global-122011.pdf>). These high-level principles provide the framework for our more detailed, market-specific voting guidelines, all of which are published on the BlackRock website (<https://www.blackrock.com/corporate/about-us/investment-stewardship/voting-guidelines-reports-position-papers#guidelines>). The principles describe our philosophy on stewardship (including how we monitor and engage with companies), our proxy voting, our integrated approach to stewardship matters and how we deal with conflicts of interest. These apply across different asset classes and products as permitted by investment strategies. We review our Global Corporate Governance & Engagement Principles annually and update them to reflect changing market standards, evolving governance practices and insights gained from engagement over the prior year.

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

- We are preparing to vote at the company's shareholder meeting and require clarification about company information
- There has been an event at the company that has or will impact long-term economic value
- The company is in a sector or market where there is a thematic governance issue that is likely to affect economic value
- Our assessment has identified the company as lagging its peers on environmental, social or governance matters that may impact economic value

We have ongoing private dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we stand ready to vote against proposals from management or the board. Last year, our stewardship program engaged with over 1,600 companies to discuss their governance practices and the sustainability of their business model.

BlackRock developed a global engagement tracker that facilitates our team's ability to monitor and report engagements. Features in the tracker allow us to record if a company is in line with our standards and expectations (as outlined in our governance principles and voting guidelines), track timeframes for change, map ESG key performance indicators to engagement priorities and ESG issues, and note outcomes. This monitoring and tracking mechanism enables our team to measure progress over time especially as many are long-term ongoing engagements.

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

We have been successful in our engagements with a good proportion of companies. We continue to engage with some as the nature of the engagement is longer term, and we will persevere with those companies where we have, to date, been less effective than we would have liked. In our experience, perseverance is essential to success. We will vote against management proxy proposals if the company proves unresponsive to engagement.

LEA 02	Mandatory	Public	Gateway	PRI 1,2,3
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<b>LEA 02.1</b>	Indicate the method of engagement, giving reasons for the interaction.
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Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> Other, specify to ensure companies understand our perspective as a long-term shareholder and to correct misperceptions companies might have about investor attention to specific issues <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> Other, specify to demonstrate to companies the breadth of shareholder interest in a particular issue <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers <div style="background-color: #0072bc; color: white; padding: 5px; margin-top: 10px;">Please specify why your organisation does not engage via service providers.</div> As noted above, BlackRock has a dedicated stewardship team of 31 professionals responsible for encouraging sound corporate governance practices at the companies in which we invest on behalf of clients though engagement and proxy voting.

<b>Process</b>
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## Process for engagements run internally

LEA 03

Mandatory

Public

Core Assessed

PRI 2

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

LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

LEA 03.2

Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.

- Geography / market of the companies
- Materiality of ESG factors
- Systemic risks to global portfolios
- Exposure (holdings)
- In response to ESG impacts that have already occurred.
- As a response to divestment pressure
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
- As a follow-up from a voting decision
- Client request
- Other, describe

other description

Experience engaging companies on emerging issues.

No

LEA 03.3

Additional information. [Optional]

We screen a subset of our portfolios representing broad regional indexes across the globe in which we have significant shareholdings on a quarterly basis. The aim is to identify companies that seem out of line with their peers in managing ESG matters material to their businesses. We then identify candidates for proactive engagement where there is a clear nexus between the ESG matter and financial risk. We prioritize individual engagements based on the materiality of the issue under consideration and the size of our holding (or the value at risk).

As a result of the increased level of interest in BlackRock's role as a large investor in public companies, in March 2017 the Investment Stewardship team released its 2017-2018 engagement priorities (<https://www.blackrock.com/corporate/about-us/investment-stewardship/engagement-priorities>). By publishing our engagement priorities, we aim to provide clients, companies, and industry participants more visibility into the areas on which we will be focusing and how we will engage companies on those topics.

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

BlackRock's Investment Stewardship 2017-2018 priorities are:

- Board quality and effectiveness, including composition
- Articulation of long-term corporate strategy

- Compensation aligned with the long-term strategy
- Climate risk disclosure
- Human capital

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

**LEA 04.1** Indicate if you define specific objectives for your engagement activities.

- Yes
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out by internal staff.

**LEA 04.2** Indicate if you monitor the actions that companies take during and following your engagements activities carried out by internal staff.

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out by internal staff.

**LEA 04.3** Indicate if you do any of the following to monitor and evaluate the progress of your engagement activities carried out by internal staff.

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives
- Tracking and or monitoring progress of actions taken when original objectives are not met
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify
- We do not monitor and evaluate progress of engagement activities carried out by internal staff

**LEA 04.4** Additional information. [Optional]

BlackRock developed a global engagement tracker that facilitates our team's ability to monitor and report engagements. Features in the tracker allow us to record if a company is in line with our standards and expectations (as outlined in our governance principles and voting guidelines), track timeframes for change, map ESG key performance indicators to engagement priorities and ESG issues, and note outcomes. This monitoring and tracking mechanism enables our team to measure progress over time especially as many are long-term ongoing engagements.

As noted in LEA1.4, we assess the effectiveness of our engagements based on the achievement of the targets we set at the outset, and amend them when our understanding of the situation has changed. In setting our objectives, we work with portfolio managers and other internal and external experts to build our knowledge of the issues, propose a sound course of action, and identify desired outcomes. Thus, the measures for each

engagement will be different. If we seek change, we aim to make the case to the company that the status quo is not consistent with the economic interests of long-term shareholders. We may suggest ideas for addressing the issue but we expect the company to identify the most appropriate course of action. Finally, we monitor developments and assess whether the company has addressed our concerns. We remain open minded and may adapt our position in light of progress through the engagement.

## Process for engagements conducted via collaborations

LEA 05	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 05.1**

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

Yes

**LEA 05.2**

Describe the criteria used to identify and prioritise collaborative engagements.

- Potential to learn from other investors
- Ability to add value to the collaboration
- Geography / market of the companies targeted by the collaboration
- Materiality of ESG factors addressed by the collaboration
- Systemic risks to global portfolios addressed by the collaboration
- Exposure (holdings) to companies targeted by the collaboration
- In reaction to ESG impacts addressed by the collaboration that have already occurred.
- As a response to divestment pressure
- As a follow-up from a voting decision
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
- Other, describe

No

**LEA 05.3**

## Additional information [Optional]

Collaborative engagement focused on ESG and value-related matters, such as strategic direction or company leadership can be much more difficult to achieve collectively. In practice, collaborative action is difficult to manage given that shareholders tend to have a range of perspectives. In BlackRock's experience, collective engagement by shareholders can be effective on policy related issues such as transparency and disclosure (i.e. board disclosure, climate risk or diversity policies) or enhancements of shareholder rights. This diversity of opinion is not a flaw in the system, but a strength as it brings a range of alternative solutions to the situation. Nonetheless, it is not always possible to reach a consensus and in many collective engagements shareholders ultimately take their own stance directly to the company. This is further exacerbated in markets with dispersed ownership. For these reasons and given our prioritization of engagements that are closely tied to long-term value, we only occasionally engage companies in collaboration with other organizations or investors. When we do engage collaboratively, the Investment Stewardship team determines our objectives including if and how best to reach them with our collaborative partner; be it an external partner such as Ceres or the Sustainability Accounting Standards Board (SASB) or with an internal partner such as our portfolio managers. We equally determine to engage depending on the outcome we hope to create. Having clarity on the issue and intended outcome best determines if we will engage collaboratively.

**LEA 06****Mandatory****Public****Core Assessed****PRI 2**

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

**LEA 06.1**

Indicate if you define specific objectives for your engagement activities carried out collaboratively.

- Yes
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out collaboratively.

**LEA 06.2**

Indicate if you monitor the actions companies take during and following your collaborative engagements.

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out collaboratively

**LEA 06.3**

Indicate if you do any of the following to monitor and evaluate the progress of your collaborative engagement activities.

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives
- Tracking and or monitoring progress of actions taken when original objectives are not met
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify
- We do not monitor and evaluate progress of engagement activities carried out by internal staff

**LEA 06.4**

Additional information. [Optional]

We define objectives and goals related to our engagement activities carried out via collective engagement and we monitor the progress of the engagement when we are a participant. In our engagement tracking system, we do not distinguish between engagements that are collaborative and those that are undertaken by our internal team. This is because even collaborative engagements (or those that start out that way) will involve direct dialogue solely between the company and our internal team at some stage in the process.

### General processes for all three groups of engagers

**LEA 09****Voluntary****Public****Additional Assessed****PRI 1,2****LEA 09.1**

Indicate if insights gained from your engagements are shared with your internal or external investment managers.

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

**LEA 09.2**

Additional information. [Optional]

Where an engagement shapes our thinking on the quality of management or board leadership, key factors in sustainable long-term value, we aim to ensure that portfolio managers are aware of our views.

**LEA 10****Mandatory****Public****Gateway****PRI 2****LEA 10.1**

Indicate if you track the number of your engagement activities.

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

**LEA 10.2** Additional information. [OPTIONAL]

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

We do not use a service provider for engagements. BlackRock has a dedicated stewardship team of 31 professionals responsible for encouraging sound corporate governance practices at the companies in which we invest on behalf of clients through engagement and proxy voting.

## Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
LEA 11.1	Indicate the amount of your listed equities portfolio with which your organisation engaged during the reporting year.			



	<b>Number of companies engaged</b> (avoid double counting, see explanatory notes)	<b>Proportion (to the nearest 5%)</b>	<b>Specify the basis on which this percentage is calculated</b>
Individual / Internal staff engagements	Number of companies engaged 1603	Proportion (to the nearest 5%) 10	Specify the basis on which this percentage is calculated <input checked="" type="radio"/> of the total number of companies you hold <input type="radio"/> of the total value of your listed equity holdings
Collaborative engagements	0	Proportion (to the nearest 5%) 0	Specify the basis on which this percentage is calculated <input checked="" type="radio"/> of the total number of companies you hold <input type="radio"/> of the total value of your listed equity holdings

**LEA 11.2** Indicate the proportion of engagements that involved multiple, substantive and detailed discussions or interactions with a company during the reporting year relating to ESG issue.

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input type="radio"/> > 50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> None

**LEA 11.3** Indicate the percentage of your collaborative engagements for which you were a leading organisation during the reporting year.

Type of engagement	% Leading role
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> None

<b>LEA 11.5</b>	Additional information. [Optional]
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In our engagement tracking system, we do not distinguish between engagements that are collaborative and those that are undertaken by our internal team. This is because even collaborative engagements (or those that start out that way) will involve direct dialogue solely between the company and our internal team at some stage in the process.

<b>LEA 12</b>	Voluntary	Public	Additional Assessed	PRI 2
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<b>LEA 12.1</b>	Indicate which of the following your engagement involved.
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- Letters and emails to companies
  - In some cases
  - In majority cases
  - In all cases
- Meetings and/or calls with the appropriate team
  - In some cases
  - In majority cases
  - In all cases
- Visits to operations
  - In some cases
  - In majority cases
  - In all cases
- Participation in roadshows
  - In some cases
  - In majority cases
  - In all cases
- Other, specify
  - ESG research**
    - In some cases
    - In majority cases
    - In all cases

<b>LEA 12.2</b>	Additional information. [Optional]
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The approach taken will be influenced by general practice in a market (for example, ESG roadshows are more common in European markets than in the United States), the purpose of the engagement and the response from the company (for example, we may follow up an engagement with management with a letter to the board if we believe management is not being deliberate about addressing our concerns).

<b>LEA 13</b>	Voluntary	Public	Descriptive	PRI 2
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**LEA 13.1** Indicate whether you track the number of cases during the reporting year in which a company changed its practices, or made a formal commitment to do so, following your organisation's and/or your service provider's engagement activities.

- Yes
- No

**LEA 13.3** Additional information [Optional].

We do not track as an aggregate across our invested universe the commitments made by companies and thus cannot provide this number. We do track this within individual company records but not in a way that can be counted as requested.

LEA 14	Voluntary	Public	Additional Assessed	PRI 2
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**LEA 14.1** Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.

- Add Example 1

ESG factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance <input checked="" type="checkbox"/> Multiple
ESG issue	Corporate strategy, governance, and environmental and social risks – including United Nations Global Compact (UNGC) controversies
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To express concerns on a share issuance plan that was not in the shareholder's best interest, and to address environmental and social issues in various mining operations.
Scope and Process	Through engagements with the chief financial officer, we discussed the need to generate capital and raised concerns around share issuance. We asked that the company restart the entire regulatory process to ensure that if the issuance was to occur, that the shares be sold at market value. Concurrently, we engaged on environmental and social risks that impacted communities and company operations, creating safety and health risks.
Outcomes	The company cancels the share issuance placement. During engagements on environmental and social risks, we looked at the company's management strategy and progress and discussed related disclosures. We visited the mining operation which offered insight into their management practices. We were pleased with our observations and continue to monitor process on these issues.

- Add Example 2

ESG factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance <input checked="" type="checkbox"/> Multiple
ESG issue	ESG disclosure
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative
Objectives	To encourage companies to participate in a consultation with the Sustainability Accounting Standards Board (SASB) to share perspectives on ESG issues.
Scope and Process	We asked 32-US listed companies to engage and share their perspectives and metrics on ESG issues and metrics relevant to their businesses and aid in determining what could be cost-effective for companies to disclose. The objective of the consultation was to ensure SASB's industry standards considered important market developments. BlackRock conducted this outreach in collaboration with representatives from other asset managers who are also members of the SASB Investor Advisory Group (IAG).
Outcomes	We heard from 15 companies who agreed to engage directly with SASB. The views of the 15 companies will be combined with 235 companies representing \$12.4 trillion in market cap with whom SAB has already engaged. We continue to engage with companies individually on ESG disclosure and encourage them to disclose material ESG factors using SASB standards.

Add Example 3

ESG factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance <input checked="" type="checkbox"/> Multiple
ESG issue	Climate risk and board oversight
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To understand the company's reporting of climate-related risks and understand board's oversight of company's long-term strategy and capital allocation priorities.
Scope and Process	<p>BIS repeatedly engaged with the company to discuss reporting of climate-related risks. We also engaged with the shareholder proponents to better understand views.</p> <p>We sought to engage with independent board directors over the past two years to better understand the board's oversight of the company's long-term strategy and capital allocation priorities amidst major strategic challenges. We also assessed their regulatory functions/tools, and regulatory inquiry (including but not be limited to oversight of climate risk).</p> <p>The company declined to make directors available, citing a non-engagement policy between independent board members and shareholders.</p>
Outcomes	<p>We supported a shareholder proposal to report on impacts of climate change policies and voted against the re-election of the lead independent directors and chair of the committee responsible for setting this policy.</p> <p>In December 2017, the company stated that the board decided to further enhance their disclosures. These enhancements will include energy demand sensitivities, implications of two degree Celsius scenarios, and positioning for a lower-carbon future.</p>

Add Example 4

ESG factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance <input checked="" type="checkbox"/> Multiple
ESG issue	Human capital management (HCM) and Diversity
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To understand the company's response to HCM and diversity and how these issues are being addressed.
Scope and Process	We engaged to understand how the company is focused on attracting new talent with relevant skillsets that better position the company for market competitiveness (over half of the organizations employees are over fifty) as well as how they are addressing diversity globally.
Outcomes	The company noted that diversity and inclusion were key priorities and this was reflected in recent leadership changes. We discussed the recent creation of a Diversity Council, created by the CEO, to build a culture of inclusion and diversity which has been promoted globally. We learned that each market is setting milestones in terms of gender diversity and recruitment. We were encouraged to see the steps being put in place and the operational effectiveness being created by addressing key HCM and diversity issues.

Add Example 5

ESG factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance <input checked="" type="checkbox"/> Multiple
ESG issue	Board strategy, oversight and HCM
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To understand how the company was addressing workforce management, governance practices on board diversity and refreshment, and audit practices.
Scope and Process	Through several engagements with senior management and board members, we discussed concerns with governance and board oversight especially around board refreshment, diversity and succession planning. We sought clarity on issues of HCM practices and how practices were being integrated into corporate strategy. We also addressed audit pay practices and why fees for non-audit work exceeded audit or fees.
Outcomes	To reflect our concerns with governance and board oversight, we withheld support on a number of management proposals at the company's annual general meeting (AGM) and voted against the re-election of non-executive directors as well as the Founder/Chief Executive. BIS also voted against the re-election of the nomination committee members. To reflect our concerns with audit practices, we voted against the authority of the board to fix auditors' fees.

Add Example 6

ESG factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance <input checked="" type="checkbox"/> Multiple
ESG issue	Climate risk, reporting
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To encourage a changes in disclosure on climate risk policies and practices at a company that has a long track record of poor reporting and disclosure, amongst other issues.
Scope and Process	BIS has engaged with senior leaders of the company over a number of years on issues of corporate governance, disclosure on environmental impact, community relations and climate risk policies. We asked that the company consider the TCFD framework for reporting and set new disclosure practices on climate change.
Outcomes	Through our engagement, we found that the company's reporting, while having room for improvement, is in line with the TCFD reporting framework and they have shown commitment to reporting in relation to climate change and sustainability issues. In our assessment, the company's commitment to climate change and disclosure goes beyond the request in last year's shareholder proposal. As such, we voted with the board's recommendation on the shareholder vote.

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

<b>LEA 14.2</b>	Additional information. [Optional]
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The engagements above were across each of the key regions in which our team is based - the Americas; Europe, the Middle East and Africa; and Asia-Pacific. We publish an average of eight to ten engagement and voting case studies in our regional quarterly reports. These reports along with our vote bulletins can be found on our website at: <https://www.blackrock.com/corporate/about-us/investment-stewardship/voting-guidelines-reports-position-papers#engagement-and-voting-reports>. These reports provide more detail than the space here allows.

## (Proxy) voting and shareholder resolutions

### Overview

<b>LEA 15</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1,2,3</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 15.1** Indicate whether your organisation has a formal voting policy.

Yes

**LEA 15.2** Indicate what your voting policy covers:

- Conflicts of interest
- Share blocking
- Securities lending process
- Prioritisation of voting activities
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Regional voting practices
- Transparency of proxy voting activities
- Company dialogue pre/post vote
- Other, describe
- None of the above

**LEA 15.3** Attach or provide a URL to your voting policy. [Optional]

URL

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

**LEA 15.4** Provide a brief overview of your organization's approach to (proxy) voting.

We intend to vote at all shareholder meetings of companies in which our clients are invested and estimate we vote about 98% of votable meetings. We take a case-by-case approach to the business put to a shareholder vote. Our analysis is informed by our internally-developed proxy voting guidelines (<https://www.blackrock.com/corporate/about-us/investment-stewardship/voting-guidelines-reports-position-papers#guidelines>) and the situation at a particular company. We generally prefer to engage in the first instance where we have concerns, and give management time to address or resolve the issue. We will vote in favour of proposals where we support the approach taken by a company's management or where we have engaged on matters of concern and anticipate management will address them. In all voting situations the economic interests of our clients will be paramount.

The team also consults BlackRock's equity portfolio managers on certain value-related proposals. We use research from numerous leading proxy advisory firms and conduct our own research based on company publications, media articles and other public sources of information.

No

## Process

LEA 16	Mandatory	Public	Descriptive	PRI 2
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**LEA 16.1** Indicate how you typically make your (proxy) voting decisions.

### Approach

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

### Based on

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

**LEA 16.2** Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).

As our regional voting policies are applied on a case by case basis it is not possible to vote by exception. We ensure a consistent approach to application through training of team members involved daily in proxy voting, peer review of contentious or complex vote decisions and open dialogue between team members about policy implementation insights and challenges. The proxy voting policies are reviewed annually and updated as necessary to reflect market developments, feedback from companies and our own insights gained over the course of a proxy season. Each year we do a random sample of votes cast and review the vote decisions to assess consistency with policy.

Please see this link for our regional voting policies: <https://www.blackrock.com/corporate/about-us/investment-stewardship/voting-guidelines-reports-position-papers#guidelines>

**LEA 16.3** Additional information.[Optional]

Our voting decisions are based on achieving the outcome that we believe would be in the best economic interests of long-term shareholders (i.e., our clients as a homogenous group). We aim to vote BlackRock's entire holding in a company in the same way, although fundamental portfolio managers have right of veto in relation to their shareholding. In practice, this right of veto is very rarely exercised.

BlackRock's Investment Stewardship team is responsible for proxy voting. The process can be summarized as follows:

- BlackRock's team of experts applies internally developed guidelines to determine how to vote
- Our Global Corporate Governance and Engagement Principles allow for regional and local specialization guided by market-specific principles
- The Investment Stewardship team leverages the expertise of BlackRock's equity portfolio managers around the world in making voting decisions

- Regional committees comprised of senior investment professionals from the investment teams globally are responsible for overseeing the guidelines under which we operate and providing guidance in contentious situations, policy developments and engagement.

We subscribe to a range of research providers and take their positions into account but our voting decision reflects BlackRock's view of what outcome would best protect the interests of long-term shareholders. Because we judge each situation on its merits and from the perspective of an investor we prefer not to commit to following the advice of one research agency.

LEA 18	Voluntary	Public	Descriptive	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 18.1	Describe your involvement in any projects to improve the voting trail and/or to obtain vote confirmation .
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Through our ongoing involvement in the Broadridge Steering Committee, the ICGN and other groups, we are encouraging improvements in the voting trail, including vote confirmation. We have been actively engaged in the debate on proxy "plumbing" for many years and at present are not optimistic about the scope for improvement. However, we believe that block-chain technology may provide an opportunity to leapfrog practices and processes.

LEA 19	Voluntary	Public	Additional Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 19.1	Indicate if your organisation has a securities lending programme.
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Yes

LEA 19.3	Indicate how voting is addressed in your securities lending programme.
----------	--

- We recall all securities for voting on all ballot items
- We systematically recall some securities to vote on their ballot items
- We recall some securities to vote on their ballot items on an ad hoc basis
- We empower our securities lending agent to decide when to recall securities for voting purposes
- We do not recall our shares for voting purposes.
- Others

No

LEA 20	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 20.1** Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting

- Yes, in most cases
- Sometimes, in the following cases:
  - Votes for selected markets
  - Votes relating to certain ESG issues
  - Votes for significant shareholdings
  - Votes for companies we are engaging with
  - On request by clients
  - Other

Where a company’s disclosures are inadequate to take an informed voting decision.

- Neither we nor our service provider raise concerns with companies ahead of voting

**LEA 20.2** Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.

- Yes, in most cases
- Sometimes, in the following cases.
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

**LEA 20.3** Additional information. [Optional]

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

**Outputs and outcomes**

LEA 21	Mandatory	Public	Core Assessed	PRI 2
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**LEA 21.1** For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

	Votes cast (to the nearest 1%)
	%

Specify the basis on which this percentage is calculated

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

**LEA 21.2** Explain your reason(s) for not voting certain holdings

- Shares were blocked
  - Notice, ballots or materials not received in time
  - Missed deadline
  - Geographical restrictions (non-home market)
  - Cost
  - Conflicts of interest
  - Holdings deemed too small
  - Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
  - On request by clients
  - Other
- We do not track or collect this information

**LEA 21.3** Additional information. [Optional]

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

**LEA 22**

**Mandatory**

**Public**

**Additional Assessed**

**PRI 2**




**LEA 22.1**

Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

- Yes, we track this information

**LEA 22.2**

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

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

100%

**LEA 22.3** Describe the actions you take in relation to voting against management recommendations.

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

No, we do not track this information

LEA 23	Voluntary	Public	Descriptive	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 23.1** Indicate if your organisation directly or via a service provider filed or co-filed any ESG shareholder resolutions during the reporting year.

- Yes  
 No

**LEA 23.7** Additional information. [Optional]

We do not engage in filing shareholder resolutions either directly or on behalf of clients. As a long-term investor, we are patient and persistent in working with our portfolio companies to build trust and develop mutual understanding. Our approach to engagement has long been one of having a private dialogue with companies, setting out our views and concerns and discussing ways these could be addressed. Where we have sizable holdings we believe it is even more important to engage in a discreet manner, rather than to publicly criticize or confront management, and to build relationships with companies that will enable us to influence change when necessary. We see environmental and social issues as corporate governance issues, integral to successful company management. We will vote against management when we judge that direct engagement has failed.

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

LEA 24	Voluntary	Public	Descriptive	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>LEA 24.1</b>	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.
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- Add Example 1
- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

<b>LEA 24.2</b>	Additional information. [Optional]
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BlackRock communicates our voting activities through direct communication and through disclosure on our website. Each year we publish our full voting record to our website. On a quarterly basis, we publish reports that provide a regional overview of our investment stewardship activities during the quarter, including market developments, engagement highlights and key votes. We also make public our market-specific voting guidelines for the benefit of clients and companies with whom we engage. All of these reports are available at <https://www.blackrock.com/corporate/about-us/investment-stewardship/voting-guidelines-reports-position-papers#engagement-and-voting-reports>.

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

# BlackRock

## Reported Information

### Public version

#### Direct - Fixed Income

## PRI disclaimer

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

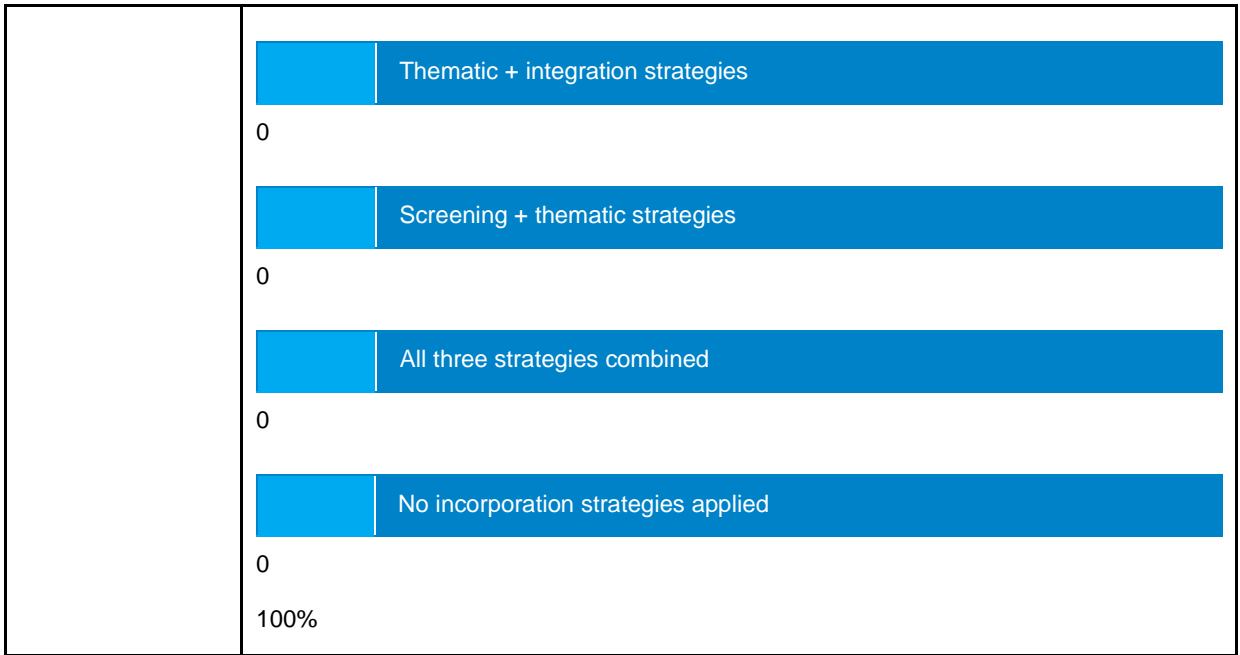


## ESG incorporation in actively managed fixed income

### Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	<table border="1"> <tr> <td data-bbox="485 230 608 293">5</td> <td data-bbox="608 230 1458 293">Screening alone</td> </tr> <tr> <td data-bbox="485 376 608 439">2</td> <td data-bbox="608 376 1458 439">Thematic alone</td> </tr> <tr> <td data-bbox="485 521 608 584">92</td> <td data-bbox="608 521 1458 584">Integration alone</td> </tr> <tr> <td data-bbox="485 667 608 730">1</td> <td data-bbox="608 667 1458 730">Screening + integration strategies</td> </tr> <tr> <td data-bbox="485 813 608 875">0</td> <td data-bbox="608 813 1458 875">Thematic + integration strategies</td> </tr> <tr> <td data-bbox="485 958 608 1021">0</td> <td data-bbox="608 958 1458 1021">Screening + thematic strategies</td> </tr> <tr> <td data-bbox="485 1104 608 1167">0</td> <td data-bbox="608 1104 1458 1167">All three strategies combined</td> </tr> <tr> <td data-bbox="485 1249 608 1312">0</td> <td data-bbox="608 1249 1458 1312">No incorporation strategies applied</td> </tr> <tr> <td data-bbox="485 1361 608 1397">100%</td> <td></td> </tr> </table>	5	Screening alone	2	Thematic alone	92	Integration alone	1	Screening + integration strategies	0	Thematic + integration strategies	0	Screening + thematic strategies	0	All three strategies combined	0	No incorporation strategies applied	100%	
5	Screening alone																		
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Corporate (financial)	<table border="1"> <tr> <td data-bbox="485 1447 608 1509">5</td> <td data-bbox="608 1447 1458 1509">Screening alone</td> </tr> <tr> <td data-bbox="485 1592 608 1655">1</td> <td data-bbox="608 1592 1458 1655">Thematic alone</td> </tr> <tr> <td data-bbox="485 1738 608 1800">93</td> <td data-bbox="608 1738 1458 1800">Integration alone</td> </tr> <tr> <td data-bbox="485 1883 608 1946">1</td> <td data-bbox="608 1883 1458 1946">Screening + integration strategies</td> </tr> </table>	5	Screening alone	1	Thematic alone	93	Integration alone	1	Screening + integration strategies										
5	Screening alone																		
1	Thematic alone																		
93	Integration alone																		
1	Screening + integration strategies																		



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

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

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

Our systems do not track assets in a manner called for by item FI 01.1. Our response represents a good faith estimate. Reminder: PRI categorizes non-corporate green bonds under SSA and infrastructure debt as non-financial corporate bonds.

Our activities to integrate ESG into the investment process are varied, and mirror the diversity of clients we serve, as well as the range of investment strategies and asset classes we offer. When evaluated appropriately, ESG factors can provide additional insights into the opportunity and risk profile of an investment. At BlackRock, investment teams design portfolio construction processes appropriate to clients' investment objectives and needs. When clients seek to incorporate sustainability considerations into portfolio construction outside financial return materiality windows or agnostic to market pricing, we offer focused public comingled vehicles and separate accounts with ESG screens or methodologies that seek to maximize exposure to positive ESG themes. BlackRock offers a range of strategies within Global Fixed Income that utilize a variety of sustainable investment approaches, including avoiding objectionable exposures (exclusionary screens), promoting high sustainability performers (ESG focus), and targeting specific and measurable social or environmental outcomes (Green Bonds), as well as a combination of one or more of these approaches.

<b>FI 02</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**FI 02.1** Indicate which ESG factors you systematically research as part of your analysis on issuers.

Select all that apply

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

## FI 02.2

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

- Raw ESG company data

### Indicate who provides this information

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

specify description

Public company disclosure

- ESG factor specific analysis

### Indicate who provides this information

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

- Issuer-level ESG analysis

### Indicate who provides this information

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

- Sector-level ESG analysis

### Indicate who provides this information

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

	specific description
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NGOs, credit rating agencies

- Country-level ESG analysis

**Indicate who provides this information**

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

<b>FI 02.3</b>	Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.
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BlackRock's Fixed Income teams conduct proprietary research on ESG issues and sustainable outcomes, including topics such as environment, health, and citizenship using various sources to enhance in-house research. These sources include company reports, specialist ESG databases (e.g. CDP), proxy research, and analysis published by investment banks, specialist consultancies and NGOs as well as credit rating agency reports. BlackRock uses ESG research providers MSCI ESG Research, RepRisk, Verisk Maplecroft, ISS-Ethix and Sustainalytics together with internal research in BlackRock's investment analysis and engagements. MSCI ESG ratings are included in our main risk engine, Aladdin. Raw ESG data is available via company disclosure as well as portals such as Bloomberg. We routinely engage with investment research providers about our views on emerging issues and the type of research we would find useful.

The Fixed Income Responsible Investment team evaluates the validity of green bond offerings for broader investment teams, and conducts thematic research on topics such as alignment between ESG providers, links to materiality, and in-house work on topics such as revenue screens for coal. Fixed Income teams also benefit from corporate governance insights from the BlackRock Investment Stewardship team and cross-divisional access to proprietary research coordinated by the BlackRock Sustainable Investing team.

<b>FI 02.4</b>	Additional information. [Optional]
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Good data and access to that data is an integral part of the ESG tool kit. BlackRock sponsors an annual "Hackathon" for employees to submit ideas for technology projects. Each year there are several submissions on how we could be accessing ESG data more effectively and using it to shape portfolio construction.

<b>FI 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**FI 03.1** Indicate how you ensure that your ESG research process is robust:

- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers
- Other, specify
- None of the above

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

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

**FI 03.3** Additional information. [Optional]

BlackRock's Emerging Markets Debt team is experimenting with contacting companies directly with an ESG questionnaire to gain information for corporates that are not currently covered by ESG research providers, such as first-time issuers. In addition, the team may engage a company directly to address ESG issues and verify sourced information; we understand not all information provided by ESG research providers is verified by these companies.

**(A) Implementation: Screening**

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

Select all that apply



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

**FI 04.2**

Describe your approach to screening for internally managed active fixed income

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

**FI 04.3**

Additional information. [Optional]

In addition, we may use ESG-focused benchmarks to manage active fund exposures to certain sectors, ESG ratings, or global norms.

Since options for external ESG research on securitized credits are nascent, BlackRock has begun to employ a tagging system for certain mortgage products with particular exposure to green or social underlying assets.

**FI 05**

Mandatory

Public

Descriptive

PRI 1

**FI 05.1**

Indicate why you conduct negative screening.

**SSA**
**SSA**

- For legal reasons
- For non-legal reasons

**Corporate (financial)**
**Corporate (fin)**

- For legal reasons
- For non-legal reasons

**Corporate (non-financial)**

Corporate (non-fin)
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- For legal reasons
- For non-legal reasons

<b>FI 05.2</b>	Describe your approach to ESG-based negative screening of issuers from your investable universe.
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BlackRock is experienced in applying exclusion lists to client portfolios. BlackRock manages various strategies for a globally diverse investor base. We see common themes in client-requested screen objectives, yet approaches to measurement and levels of tolerance often vary. For example, we have clients who wish to screen "controversial weapons." For some, that will include only cluster munitions while for others, that also will include companies with exposure to nuclear weapons. For any given issue, one client may prefer to exclude companies with a significant exposure defined as 30% or 50% of revenue while another client may have a zero tolerance policy regarding the same issue, and wish to exclude a company with any revenue greater than 0%. While we seek to coordinate approaches across our product suite, including for weapons, fossil fuel use, UN Global Compact violations, and tobacco, for example, we continue to offer options for clients to fulfil their individual guidelines.

Our Portfolio Compliance team uses the firm's trading and risk management tools to support daily portfolio management decisions, prevent investment in restricted companies, and supervise transition out of companies which become restricted after investment. The firm provides regular updates to clients at intervals specified by our clients.

<b>FI 05.3</b>	Additional information. [Optional]
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The Portfolio Compliance team periodically updates the restricted lists based on new ESG research to ensure we are capturing all relevant and only applicable issuers. All issuers are monitored on a pre- and post-trade basis and if a name was added as a result of the new update or in the event of a corporate action, the Portfolio Compliance team will notify portfolio management of the exception and work with them to divest the security.

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

<b>FI 06</b>	Voluntary	Public	Additional Assessed	PRI 1
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<b>FI 06.1</b>	Provide examples of how ESG factors are included in your screening criteria.
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- Example 1

Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG factors
<input checked="" type="checkbox"/> Environmental <input type="checkbox"/> Social <input type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class <input type="checkbox"/> Norms-based
Description of how ESG factors are used as the screening criteria
Utilities screened for coal revenue greater than 50% in accordance with California Insurance Commission

Example 2

Type of fixed income
<input type="checkbox"/> SSA <input checked="" type="checkbox"/> Corporate (financial) <input type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG factors
<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class <input type="checkbox"/> Norms-based
Description of how ESG factors are used as the screening criteria
Financial company screened for CCC MSCI ESG Rating

Example 3

Type of fixed income
<input checked="" type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG factors
<input checked="" type="checkbox"/> Environmental <input type="checkbox"/> Social <input type="checkbox"/> Governance
Screening
<input type="checkbox"/> Negative/ exclusionary <input checked="" type="checkbox"/> Positive/ best-in-class <input type="checkbox"/> Norms-based
Description of how ESG factors are used as the screening criteria
US mortgage company green bond included in Green Bond Fund

Example 4

Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG factors
<input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance
Screening
<input type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class <input checked="" type="checkbox"/> Norms-based
Description of how ESG factors are used as the screening criteria
Arms manufacturer screened due to involvement in cluster munitions

Example 5

FI 07	Mandatory	Public	Core Assessed	PRI 1
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FI 07.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
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Type of screening	Checks
<b>Negative/exclusionary screening?</b>	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
<b>Positive/best-in-class screening</b>	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
<b>Norms-based screening</b>	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

<b>FI 07.2</b>	Additional information. [Optional]
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The Portfolio Compliance team periodically updates the restricted lists based on new ESG research to ensure we are capturing all relevant and only applicable issuers. Portfolio compliance monitors all issuers on a pre- and post-trade basis and if a name was added as a result of the new update or in the event of a corporate action, portfolio compliance will notify portfolio management of the exception and work with them to divest the security.

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

**(B) Implementation: Thematic**

<b>FI 08</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**FI 08.1** Indicate what proportion of your thematic investments are:

Green funds



15

Social funds

Sustainability bonds (combination of green and social)



85

Other

**FI 08.2** Describe your organisation’s approach to thematic fixed income investing

BlackRock offer a range of fixed income solutions that address client interest in sustainable investment themes:

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

**BSF Sustainable Euro Bond Fund:** Managed by BlackRock’s Fundamental Fixed Income Team, the BSF Sustainable Euro Bond Fund offers exposure to euro-denominated sovereign and corporate bonds with MSCI ESG ratings BBB and above. This strategy is the first ESG-screened active fixed income mutual fund in Europe.

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

**FI 08.3** Additional information [OPTIONAL]

Our systems do not track assets in a manner called for by item FI 08.1. Therefore, our response represents a good faith estimate but may not ultimately be accurate.

FI 09	Mandatory	Public	Core Assessed	PRI 1
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<b>FI 09.1</b>	Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles, Social Bond Principles, or Sustainability Bond Guidelines..
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- We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects
- We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated
- We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated
- We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects
- Other, specify
- None of the above

<b>FI 09.2</b>	Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.
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To date, BlackRock has not seen issuers fail to disburse bond proceeds as described in their offering documents for labelled green bonds. We have been actively following up with issuers which have indicated they would provide quantitative impact reporting but they have not yet provided.

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

<b>FI 09.3</b>	Additional information. [Optional]
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BlackRock supports the Green Bond Principles and the Climate Bonds Initiative through membership and participation in working groups as well as through contribution to research publications.

<b>FI 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>FI 10.1</b>	Indicate how you assess the environmental or social impact of your thematic investments
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- We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments
- We ensure independent audits are conducted on the environmental or social impact of our investments
- We have a proprietary system to measure environmental and social impact
- We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights
- Other, specify
- None of the above

<b>FI 10.2</b>	Additional information. [Optional]
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BlackRock does not ensure independent audits of social or environmental impact, and it is our observation that it is not standard practice to do so.

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

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

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

## (C) Implementation: Integration

FI 11	Mandatory	Public	Descriptive	PRI 1
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FI 11.1	Describe your approach to integrating ESG into traditional financial analysis.
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We actively seek to integrate ESG issues into our investment process. This approach begins with the belief that ESG issues are often a signal of, or proxy for, management quality particularly over the long term. We believe companies should develop strategies for managing long-term ESG risks and opportunities for their businesses. When evaluated appropriately, ESG issues can provide additional insights into the opportunity and risk profile of an investment. How a company manages the environmental and social aspects of its business which are relevant to performance and value creation is a signal of how well the company is run and its long-term financial sustainability. In our view, ESG issues can have real and quantifiable financial impacts over the long term. We believe integrating ESG factors into the investment process is additive.

With regard to fixed income, the emphasis is on the protection of downside risk. BlackRock's investors use a variety of approaches to consider credit quality, including incorporating ESG information. ESG ratings are incorporated into Aladdin, the firm's portfolio and risk management system. Portfolio managers can evaluate ESG ratings at the aggregate portfolio level and the individual holding level. ESG ratings are listed alongside the BlackRock Credit Research team's investment grade credit research scorecard so that BlackRock's fixed income portfolio managers have them at their fingertips for making investment decisions. Where ESG information is not available from third party research sources, or where the investment analyst prefers to collect raw issuer data or otherwise employs a proprietary approach to original research, records capture how ESG information and research is incorporated into investment decisions.

FI 11.2	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
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	SSA
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Regarding sovereign debt, political uncertainty is the governance factor most considered. A key issue for investors is the long-term sustainability of a country's economic and political situation and therefore addressing ESG issues naturally aligns with this. Many institutional investors also wish to limit reputational or headline risk to avoid negative perceptions associated with a particular activity or regime. Climate change policies are an environmental factor gaining more attention. BlackRock produces a sovereign ESG scorecard which the firm's investors may use to consider when analyzing government debt. The scorecard uses research from sovereign-ESG specialist Verisk-Maplecroft, as well as research from RepRisk, Sustainability, and MSCI ESG Research.

Regarding green bonds, BlackRock supports the Green Bond Principles, which recommend rather than require green bond issuers to allocate proceeds only to environmentally or socially beneficial projects. BlackRock has developed a proprietary system to measure how a bond conforms to the Green Bond Principles.

## Corporate (financial)

BlackRock's corporate bond investors use a variety of approaches to consider credit quality, including incorporating ESG information. ESG factors are incorporated into our Aladdin analytics tool. Portfolio managers can evaluate ESG ratings at both the aggregate portfolio level and the individual holding level. ESG ratings are also listed alongside our investment grade credit research scorecard so that portfolio managers have them at their fingertips for making investment decisions.

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

BlackRock's Emerging Market Corporate Debt team employs ESG-focused qualitative analysis to assess credit quality and various types of risk, including drawdown control and default risks. ESG is crucial in determining security selection, position sizing, and portfolio construction.

## Corporate (non-financial)

BlackRock's Infrastructure Debt team developed a proprietary scorecard to assess ESG risks when evaluating project finance opportunities. Analysts present ESG considerations alongside financial considerations when preparing memoranda for investment committee decisions.

BlackRock's corporate bond investors use a variety of approaches to consider credit quality, including incorporating ESG information. ESG factors are incorporated into our Aladdin analytics tool. Portfolio managers can evaluate ESG ratings at both the aggregate portfolio level and the individual holding level. ESG ratings are also listed alongside our investment grade credit research scorecard so that portfolio managers have them at their fingertips for making investment decisions.

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

BlackRock's Emerging Market Corporate Debt team employs ESG-focused qualitative analysis to assess credit quality and various types of risk, including drawdown control and default risks. ESG is crucial in determining security selection, position sizing, and portfolio construction.

## Securitized

For securitized products, we apply the Green Bond and Social Bond Principles to any use of proceeds bond in this sector. Additionally, we have developed an in-house methodology to determine whether securities within the sector could qualify as defensible socially or environmentally beneficial assets.

<b>FI 11.3</b>	Additional information [OPTIONAL]
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We actively seek to integrate ESG issues into our investment process. This approach begins with the belief that ESG factors are often a signal of, or proxy for, management quality, particularly over the long term.

Where applicable, investment teams include in their research any information that in their judgment will affect the economic performance of companies over time, which includes the financial impact of non-financial factors. These may include, but are not limited to, board leadership, management quality in areas such as health and safety, employee relations, product liability and development, mitigation of risk (e.g., physical risks, reputational risk, regulatory risk and legal risks), and general responsiveness to societal expectations. These risks may come from climate change, social trends, consumer behavior, or government intervention.

Ultimately, security selection in our active portfolios is based on analysis of all factors deemed material to the long-term performance of the individual security. This includes financial as well as ESG factors. How and to what extent ESG factors are applied depends on the investment guidelines and the management style.

We wish to remind the reader that PRI categorizes non-corporate green bonds under SSA and infrastructure debt as non-financial corporate bonds.

<b>FI 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>FI 12.1</b>	Indicate how ESG information is typically used as part of your investment process.
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Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis is integrated into security weighting decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis is integrated into portfolio construction decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis is a standard part of internal credit ratings or assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis is regularly featured in internal research notes or similar	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis is a standard feature of ongoing portfolio monitoring	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis features in all internal issuer summaries or similar documents	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 12.2

Additional information [OPTIONAL]

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

FI 13

Mandatory

Public

Additional Assessed

PRI 1

FI 13.1

Indicate the extent to which ESG issues are reviewed in your integration process.

	Environment	Social	Governance
SSA	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Securitised	<input type="radio"/> Environmental <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="radio"/> Social <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="radio"/> Governance <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all

**FI 13.2** Please provide more detail on how you review E, S and G factors in your integration process.

**SSA**

Regarding sovereign debt, political uncertainty is the governance factor most considered. A key issue for investors is the long-term sustainability of a country's economic and political situation and therefore addressing ESG issues naturally aligns with this. Many institutional investors also wish to limit reputational or headline risk to avoid negative perceptions associated with a particular activity or regime. Climate change policies are an environmental factor gaining more attention. We have specific ESG research on Sovereign ESG risk from Verisk-Maplecroft.

Regarding green bonds, BlackRock supports the Green Bond Principles, which recommend rather than require green bond issuers to allocate proceeds only to environmentally or socially beneficial projects. BlackRock has developed a proprietary system to measure how a bond conforms to the Green Bond Principles.

**Corporate (financial)**

BlackRock's corporate bond investors use a variety of approaches to consider credit quality, including incorporating ESG information. ESG factors are incorporated into our Aladdin analytics tool. Portfolio managers can evaluate ESG ratings at both the aggregate portfolio level and the individual holding level. ESG ratings are also listed alongside our investment grade credit research scorecard so that portfolio managers have them at their fingertips for making investment decisions.

In the context of the Impact Bond Fund, BlackRock's Systematic Fixed Income team applies a proprietary, research-driven process to consider financial and sustainability signals and systematically apply a rigorous

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

BlackRock's Emerging Market Corporate Debt team employs ESG-focused qualitative analysis to assess credit quality and various types of risk, including drawdown control and default risks. ESG is crucial in determining security selection, position sizing, and portfolio construction.

### Corporate (non-financial)

BlackRock's Infrastructure Debt team developed a proprietary scorecard to assess ESG risks when evaluating project finance opportunities. Analysts present ESG considerations alongside financial considerations when preparing memoranda for investment committee decisions.

BlackRock's corporate bond investors use a variety of approaches to consider credit quality, including incorporating ESG information. ESG factors are incorporated into our Aladdin analytics tool. Portfolio managers can evaluate ESG ratings at both the aggregate portfolio level and the individual holding level. ESG ratings are also listed alongside our investment grade credit research scorecard so that portfolio managers have them at their fingertips for making investment decisions.

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

BlackRock's Emerging Market Corporate Debt team employs ESG-focused qualitative analysis to assess credit quality and various types of risk, including drawdown control and default risks. ESG is crucial in determining security selection, position sizing, and portfolio construction.

### Securitized

For securitized products, we apply the Green Bond and Social Bond Principles to any use of proceeds bond in this sector. Additionally, we have developed an in-house methodology to determine whether securities within the sector could qualify as defensible socially or environmentally beneficial assets.

### FI 13.3

### Additional information.[OPTIONAL]

We actively seek to integrate ESG issues into our investment process. This approach begins with the belief that ESG issues are often a signal of, or proxy for, management quality particularly over the long term. We believe companies should develop strategies for managing long-term ESG risks and opportunities for their businesses. When evaluated appropriately, ESG issues can provide additional insights into the opportunity and risk profile of an investment. How a company manages the environmental and social aspects of its business which are relevant to performance and value creation is a signal of how well the company is run and its long-term financial sustainability. In our view, ESG issues can have real and quantifiable financial impacts over the long term. We believe integrating ESG factors into the investment process is additive.

With regard to fixed income, the emphasis is on the protection of downside risk. BlackRock's investors use a variety of approaches to consider credit quality, including incorporating ESG information. ESG ratings are incorporated into Aladdin, the firm's portfolio and risk management system. Portfolio managers can evaluate ESG ratings at the aggregate portfolio level and the individual holding level. ESG ratings are listed alongside the BlackRock Credit Research team's investment grade credit research scorecard so that BlackRock's fixed income portfolio managers have them at their fingertips for making investment decisions. Where ESG information is not

available from third party research sources, or where the investment analyst prefers to collect raw issuer data or otherwise employs a proprietary approach to original research, records capture how ESG information and research is incorporated into investment decisions.

## ESG incorporation in passively managed fixed income

FI 14	Voluntary	Public	Descriptive	PRI 1
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**FI 14.1** Describe your RI approach for passively managed fixed income assets.

BlackRock's index strategies seek to closely track the returns of a corresponding index. We do this by investing in substantially the same underlying securities within the index or in a subset of those securities selected to approximate a similar risk and return profile of the index. BlackRock offers beta fixed income across the debt universe, and our iShares business continues to help our clients access and manage exposure to global bond markets.

BlackRock's institutional index fund and ETF strategies span the world's investable fixed income markets. Our portfolio construction process entails detailed benchmark knowledge, efficient trading, and performance analysis. Daily updates from index providers keep us abreast of new securities and any index methodology changes. We are an experienced and innovative provider of index strategies like pioneering synthetic beta solutions to support alpha/beta separation. Our full spectrum of global index products can provide efficient, cost-effective exposure to specific market segments.

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

1. For pooled vehicles, at the point of fund/ETF design, a suitable sustainable/ESG/SRI benchmark is chosen in order to reflect the desired screens or ESG integration. These portfolios will track these indices passively.
2. We are also conducting product research on a new suite of passive fixed income vehicles that would be benchmarked against a standard market benchmark, but would incorporate certain ESG dimensions, including values and norms based screens as well as ESG integration.
3. For separate accounts, we have a long standing experience of running indexed fixed income portfolios with custom responsible investment policies as defined by our clients. Historically these have been based on exclusions, and we are seeing an increased level of focus and sophistication in the definition of these policies in our client base.

BlackRock offer a range of fixed income solutions that address client interest in sustainable investment themes. Examples of our fixed income indexed strategies in this category include:

**iShares Green Bond Index Fund: the iShares Green Bond Index Fund** provides clients with positive exposure to measurable environmental outcomes and an investment grade credit profile. The strategy offers clients access to Green Bonds as well as quantitative environmental impact reporting. BlackRock supports the Green and Social Bond Principles, which recommend rather than require green bond issuers to allocate proceeds only to environmentally or socially beneficial projects. BlackRock has developed a proprietary system to measure how a bond conforms to the Green Bond Principles, and employs the approach during security selection in the Green Bond Funds. We are also a member of the Climate Bonds Initiative and serve on the ExCom of the Green Bond Principles.

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

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

## Fixed income - Engagement



FI 15	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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**FI 15.1** Indicate the proportion of your fixed income assets on which you engage. Please exclude any engagements carried out solely in your capacity as a shareholder.

Category	Proportion of assets
<b>Corporate (financial)</b>	<p> <input checked="" type="radio"/> &gt;50%  <input type="radio"/> 26-50%  <input type="radio"/> 5-25%  <input type="radio"/> More than 0%, less than 5%         </p> <p><b>FI 15.2</b> Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets)</p> <p> <input checked="" type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure)  <input checked="" type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity)  <input checked="" type="checkbox"/> Other, specify         </p> <p>other description</p> <p>Assess ESG risk in relation to credit risk, draw down risk, default risk, event risk</p> <p><input type="checkbox"/> None of the above</p>
<b>Corporate (non-financial)</b>	<p> <input checked="" type="radio"/> &gt;50%  <input type="radio"/> 26-50%  <input type="radio"/> 5-25%  <input type="radio"/> More than 0%, less than 5%         </p> <p><b>FI 15.2</b> Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets)</p> <p> <input checked="" type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure)  <input checked="" type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity)  <input checked="" type="checkbox"/> Other, specify         </p> <p>other description</p> <p>Assess ESG risk in relation to credit risk, draw down risk, default risk, event risk</p> <p><input type="checkbox"/> None of the above</p>

<b>FI 15.3</b>	Additional information.[OPTIONAL]
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BlackRock's firm-wide engagement program also benefits investments in corporate bonds issued by companies in both financial and non-financial sectors. BlackRock Investment Stewardship (BIS) is positioned as an investment function, which allows for the mutual exchange of views with active portfolio management teams. As such, the team's work benefits clients invested in listed equity and credit. BIS's engagement program is detailed in section LEA 01 of the Direct - Listed Equity Active Ownership module, and additional engagement details relating to fixed income are provided in section FI 16 below.

BlackRock's Emerging Markets Debt team is experimenting with contacting companies directly with an ESG questionnaire to gain information for corporates that are not currently covered by ESG research providers, such as first-time issuers. In addition, the team may engage a company directly to address ESG issues and verify sourced information; we understand not all information provided by ESG research providers is verified by these companies.

<b>FI 16</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>FI 16.1</b>	Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)
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Select all that apply

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

<b>FI 16.2</b>	Indicate how your organisation prioritises engagements with issuers
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Select all that apply

	Corporate (financial)	Corporate (non-financial)	
Based on potential materiality of ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Based on systemic risks (e.g. low-carbon transition) to global portfolios	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Based on our exposure (holdings)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

If 'other' has been selected, please give a description

Company is in a sector or market where there is a thematic ESG issue material to long-term financial performance

**FI 16.3**

Indicate when your organisation conducts engagements with issuers.

Select all that apply

	Corporate (financial)	Corporate (non-financial)	
Engagements are conducted pre-investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Engagements are conducted post-investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	

**FI 16.4**

Indicate how your organisation conducts engagements with issuers.

Select all that apply

	Corporate (financial)	Corporate (non-financial)	
We systematically engage prior to ESG-related divestments	<input type="checkbox"/>	<input type="checkbox"/>	
We engage proactively in anticipation of specific ESG risks and/or opportunities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
We engage in reaction to ESG issues which have already affected the issuer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Investment and ESG analysts systematically conduct ESG-related engagements together	<input type="checkbox"/>	<input type="checkbox"/>	
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	

**FI 16.5**

Indicate what your organisation conducts engagements with issuers on.

Select all that apply

	Corporate (financial)	Corporate (non-financial)	
We conduct engagements with individual issuers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
We conduct engagements within sectors and industries.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
We conduct engagements on specific ESG themes (e.g. human rights)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	

**FI 16.6**

Indicate how your organisation shares the outcomes of the engagements internally.

Select all that apply

	Corporate (financial)	Corporate (non-financial)	
We have a systematic process to ensure the outcomes of engagements are made available	<input type="checkbox"/>	<input type="checkbox"/>	
We occasionally make the outcomes of engagements available	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	
We do not make this information available	<input type="checkbox"/>	<input type="checkbox"/>	
We do not share the outcomes of the engagements internally	<input type="checkbox"/>	<input type="checkbox"/>	

**FI 16.7**

Additional information.[OPTIONAL]

BlackRock Investment Stewardship (BIS) is positioned as an investment function, which allows for the mutual exchange of views with active portfolio management teams. As such, the team's work benefits clients invested in listed equity and credit. BlackRock's firm-wide engagement program also benefits investments in corporate bonds, issued by companies in both financial and non-financial sectors.

BIS's engagement program (detailed in section LEA 01 of the Direct - Listed Equity Active Ownership module) consists of numerous, ongoing, and frequently multi-year, private discussions with companies to understand the management of material ESG issues. Beyond engaging companies around clarifications relating to proxy voting, BIS may engage (1) if our assessment has identified the company as lagging behind its peers on ESG matters that may impact economic value; (2) if an event at the company has or will impact long-term economic value; (3) if a company is in a sector or market where a material thematic ESG issue is likely to affect economic value. We may on occasion engage collaboratively with corporates - please refer to section LEA 05 for more insight into these engagements.

Each year we identify specific areas of engagement focus in order to provide greater clarity and transparency to our clients and the companies in which we invest. We published our engagement priorities for 2018 on the BlackRock website (<https://www.blackrock.com/corporate/about-us/investment-stewardship/engagement-priorities>), a number of which concentrate on specific ESG themes (e.g., climate risk, human capital management, diversity). Our team engages thematically across sectors and markets on these topics (e.g. a recent Americas quarterly report on our BIS website (<https://www.blackrock.com/corporate/literature/publication/blk-qtrly-commentary-2017-q4-amers.pdf>) provides insight into climate risk engagements in the US insurance sector). Additional examples of thematic engagements, as well as information on outcomes of engagements, can be found on the BIS reporting page: <https://www.blackrock.com/corporate/about-us/investment-stewardship/voting-guidelines-reports-position-papers#engagement-and-voting-reports>.

**FI 17**

**Mandatory to Report Voluntary to Disclose**

**Public**

**Additional Assessed**

**PRI 1,2**

**FI 17.1**

Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.

- Yes  
 No

FI 17.3

Additional information [OPTIONAL]

BlackRock's firm-wide engagement program benefits investments in corporate bonds, issued by companies in both financial and non-financial sectors. We publish reports on our engagement approach, priorities, and company and market-level engagement activities at <https://www.blackrock.com/corporate/en-zz/about-us/investment-stewardship/voting-guidelines-reports-position-papers>

BlackRock Investment Stewardship (BIS) is positioned as an investment function, which allows for the mutual exchange of views with active portfolio management teams. As such, the team's work benefits clients invested in listed equity and credit. BIS' engagement program is detailed in section LEA 01 of the Direct - Listed Equity Active Ownership module as well as FI 16 of this module.

**Outputs and outcomes**

FI 18	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	General
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FI 18.1

Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
We measure whether incorporating ESG impacts funds' reputation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts financial returns	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We measure whether incorporating ESG impacts risk	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts funds' ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 18.2

Describe how your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance. [OPTIONAL]

Ongoing internal research conducted by our systematic investment teams and Risk & Quantitative Analytics teams informs portfolio design and investment selection. It is our expectation that over time, as more issuers report more material ESG information, more research will be possible into the links between ESG and investment performance.

Due to the inclusion of ESG data in our main risk and trading system, investors are able to view how potential changes to the portfolio will change the ESG characteristics of the overall holdings profile. We are able to run return analyses on ESG metrics the same way we can run return attribution to a number of risk factors.

BlackRock

Reported Information

Public version

Direct – Private Equity

## PRI disclaimer

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## Overview

PE 01	Voluntary	Public	Descriptive	PRI 1-6
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PE 01.1	Provide a brief overview of your organisation's approach to responsible investment in private equity.
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BlackRock Private Equity Partners (PEP) recognizes the environmental, social and economic impacts and risks of our Private Equity investments, and is committed to managing these impacts and risks in a responsible manner. We strive to ensure that sustainability performance is an important part of our business ethos and that sustainability risks and opportunities are assessed throughout our investment decisions.

PEP's approach towards environmental, social and corporate governance (ESG) factors reflects the company's foundation on rigorous risk management principles. As such, the integration of ESG considerations in our framework is an evolution of our due diligence and monitoring processes. We think of ESG as a continuum:

- **Exclude/avoid ESG exposed geographies and sectors:** PEP leverages BlackRock's controls and policies to exclude sanctioned countries from the investment universe. In addition, we avoid countries where it is difficult to obtain information to make a full ESG assessment and mitigate risks. With regards to industries, PEP is cautious about certain sectors such as tobacco, weapons, pornography.
- **Assess and mitigate risks related to ESG factors:** PEP has developed a framework to implement ESG into the due diligence of new funds and direct co-investment opportunities as well as in the monitoring process
- **Work with GPs to create additional value from investments:** PEP believes that ESG factors can influence long term performance and works with GPs to monitor ESG risks and add value to investments where possible
- **Identify/source additional investment opportunities:** PEP proactively seeks investment opportunities which can produce private equity returns and have a beneficial impact on the society or environment.

In terms of portfolio construction, PEP's CIO Office monitors the ESG profile of each of the accounts that PEP manages in partnership with the ESG score of each investment opportunity.

PEP is also developing a proactive way of measuring, managing and monitoring the ESG profile of each of our accounts to allow for more proactive management of ESG risks and considerations.

PE 02	Mandatory	Public	Core Assessed	PRI 2
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PE 02.1	Indicate whether your organisation's investment activities are guided by a responsible investment policy / follow responsible investment guidelines.
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- Ⓞ Our investment activities are guided by a responsible investment policy

PE 02.2	Describe how your organisation outlines expectations on staff and portfolio companies' approach towards ESG issues in investment activities.
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The overarching environmental, social and corporate governance ESG policies for PEP are outlined within the PEP ESG Implementation guideline document.

The PEP ESG Implementation guideline document provides a succinct overview of the key sustainability principles and procedures of PEP, and applies to all of our global Private Equity investments. The document is aligned with BlackRock's wider ESG and corporate governance frameworks and has been developed in consideration of the best practices set by the UN PRI.

PEP sees its ESG Implementation guideline as a living document as our sustainable practices are further refined over time. A yearly ESG training in collaboration with BlackRock's Sustainable Investment team is provided to PEP (including all investment professional and product specialists) to ensure consistent implementation and awareness on new developments.



PEP's ESG Implementation guideline document includes coverage of following areas (not exhaustive):

- BlackRock's sustainability aspirations
- Definition of ESG-related terms
- PEP's framework for sustainable investing
- Integration of ESG into PEP's investment process
- PEP's ESG governance model, including roles and responsibilities for investment management professionals and product specialists
- Templates for implementation
- Benchmarking guidelines for assessment of Private Equity funds and direct co-investments
- ESG and examples and case studies to illustrate implementation process and areas of focus

Our investment activities are not guided by a responsible investment policy

We do not have a responsible investment policy

## Fundraising of private equity funds

PE 03	Mandatory	Public	Core Assessed	PRI 1,4,6
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PE 03.1

Indicate if your most recent fund placement documents (private placement memorandums (PPM) or similar) refer to responsible investment.

Yes

PE 03.2

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

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

PE 03.3

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

PEP's commitment to responsible investment and the consideration of ESG risks throughout the investment process is explicitly disclosed in PEP's fund placement documents (PPM). The disclosure refers to PEP's policies, which can be made available to investors upon request.

No

Not applicable as our organisation does not fundraise

PE 04	Voluntary	Public	Additional Assessed	PRI 4
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PE 04.1

Indicate whether your organisation made formal commitments to responsible investment in the, Limited Partnership Agreement (LPA) of your most recent fund(s), or through side letters when requested by clients.

Yes

If yes

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

No

**PE 04.2** Additional information.

As indicated under answer 03.3, BlackRock makes a formal commitment to consider ESG issues throughout the investment process in legal documents of PEP's commingled funds and separate accounts.

For commingled funds, specific side letters provisions can be agreed between investors and PEP in order to set limits on the types of companies / countries in which the respective vehicle may invest, so as to satisfy any ESG objectives and obligations.

For separate account investors, client specific requirements can be fully implemented directly into the account legal documents.

**Pre-investment (selection)**

<b>PE 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 1</b>
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**PE 05.1** During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

Yes

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

PEP has developed a framework which allows BlackRock to evaluate ESG risks and opportunities of each new potential investment. Recognizing the characteristics of Private Equity investments, PEP's approach differentiates between fund investments and direct co-investments:

- **Funds:** Underlying portfolio companies are typically not known to investors when the investment decision is made (blind pool). Thus, when evaluating the ESG practices of a fund manager, BlackRock considers the fund manager's policies, material risk identification processes, ESG value contribution, monitoring practices, and ESG reporting capabilities. GPs are evaluated against current best practices observable in the Private Equity markets, and red flags are noted where material shortfalls are uncovered.
- **Direct co-investments:** For direct co-investments, BlackRock has full visibility into the company's individual risk exposures and is in position to assess company performance in sector-specific areas of ESG concern. PEP conducts a detailed analysis of ESG risk factors of the investee companies and works with GPs to mitigate these risks where feasible. Areas of focus include environmental regulatory compliance and outstanding litigation, material labor-related incidents or investigations, or the company's ethical track record including corruption and internal controls. Additionally, where PEP sits on the Board of Directors for a portfolio company, PEP focuses on promoting and highlighting improvements to ESG factors.

The assessment described above is summarized in a risk assessment and an ESG score, which are integral part of PEP's Investment Decision Memoranda (IDM) and are discussed with the investment committees for final investment decision.

No

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

PE 06.2	Describe how this information is reported to, considered and documented by the Investment Committee or similar.
---------	---

As described above, ESG management is a key area of performance considered to assess fund managers and direct co-investments. PEP's ESG framework requires active engagement with fund managers and company management as well as evaluation of various forms of ESG information. Sources of information typically include:

- Raw data from fund manager and target company
- An operational questionnaire directed to management / GP
- Onsite visit and meeting with management

The above information provides the basis for conducting a detailed risk assessment against PEP's ESG guidelines. The outcome of this assessment, including an ESG score, is an integral part of PEP's Investment Decision Memoranda (IDM) and is discussed with the investment committees for final investment decision.

PE 07	Voluntary	Public	Additional Assessed	PRI 1,2
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PE 07.1	During deal structuring, what is the process for integrating ESG-related considerations into the deal documentation and/or the post-investment action plan?.
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- Yes
- Formally/through a post-investment action plan or value enhancement plan
  - Verbally/through dialogue
  - Other, specify  
**Board of Directors**

<b>PE 07.2</b>	Describe the nature of these improvements and provide examples (if any) from the reporting year
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As part of the due diligence process, PEP identifies ESG risks and opportunities specific to the investment opportunity and works with the fund manager and/or management to address material issues. Actions to address/mitigate identified ESG risks can be set as conditions for investment to be addressed ex ante, or can be included in the action plan to be implemented post-investment. Where PEP has a representative on the Board of Directors, we work with the Board on a value enhancement plan which may incorporate ESG issues.

Examples from the reporting year 2017 include:

- Assessment of labor conditions
- Due diligence on environmental impact and processes
- Introduction of waste efficiency targets
- Introduction of ESG related policies in the target company
- Discussion at Board of Directors level to identify ESG-related opportunities and mitigate risks

We do not set expectations for portfolio companies on ESG-related considerations

<b>PE 08</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>PE 08.1</b>	Indicate how ESG issues impacted your private equity investment selection processes during the reporting year.
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- ESG issues helped identify risks
- ESG issues helped identify opportunities for value creation.
- ESG issues led to the abandonment of potential investments.
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- We do not track this potential impact

<b>PE 08.2</b>	ESG issues were included in the post-investment action plan /100 day plan
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- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues were included in the post-investment action plan/100 day plan
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- We do not track this potential impact

<b>PE 08.3</b>	Additional information.
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Please refer to answer PE 07.2.

## Post-investment (monitoring)

<b>PE 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>PRI 2</b>
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**PE 09.1**

Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.

Yes

**PE 09.2**

Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies

(in terms of total number of portfolio companies)

**PE 09.3**

Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.

**ESG issues**

Environmental

List up to three example targets of environmental issues

Improvement of carbon footprint

Waste reduction

Social

List up to three example targets of social issues

Introduction of code of ethics

Assessment of labour conditions

Governance

List up to three example targets of governance issues

Compliance with corporate governance best practices

Fair compensation practices

We do not set and/or monitor against targets

No

**PE 09.4**

Additional information. [Optional]

ESG factors are fully integrated into PEP's investment monitoring processes. The assigned monitoring team for each investment engages with fund managers and company management on key developments relating to ESG:

- Any material issues and risks, defined as material litigations, incidents and other material issues from an ESG perspective
- Progress on risk mitigation and value add initiatives

The monitoring team assesses the progress of their respective investments, whereby key elements of the initial due diligence activity are refreshed and reviewed through an ongoing time series analysis. On a quarterly basis, PEP makes a formal presentation reporting on the progress and outlook for each underlying investment, which is discussed by the team.

ESG progress is also influenced by leveraging board/observer seats and Limited Partner Advisory Committees (LPAC) positions.

PE 10	Mandatory	Public	Core Assessed	PRI 2
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PE 10.1	Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).
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Yes

PE 10.2	Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).
---------	--

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

(in terms of total number of portfolio companies)

No

PE 10.3	Additional information. [Optional]
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Please note that the above applies for direct co-investments only. The percentage for certain primary investments may be lower, e.g. for venture capital, distressed and Asia funds (51-90%)

PE 11	Voluntary	Public	Additional Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

PE 11.1	Indicate the types of actions taken by your portfolio companies to incorporate ESG issues into operations and what proportion of your portfolio companies have implemented these actions.
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**Types of actions taken by portfolio companies**

Allocate responsibility for ESG issues to board/senior management

**Implemented by percentage of portfolio companies**

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

(in terms of total number of portfolio companies)

- Composition of board ensure ESG expertise

**Implemented by percentage of portfolio companies**

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

(in terms of total number of portfolio companies)

- Consider ESG issues in risk management processes

**Implemented by percentage of portfolio companies**

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

(in terms of total number of portfolio companies)

- Define performance targets for applicable ESG issues in operations
- Identify and engage external parties or stakeholders that could add value or decrease risk through ESG issues
- Developing/implementing an environmental/social management system (ESMS) or similar
- Other actions, specify
- None of the above

**PE 11.2**

Describe how your organisation contributes to the portfolio companies' resourcing and management of ESG issues.

Where PEP has a representative on the Board of Directors, we consistently strive to highlight ESG issues which the underlying portfolio company should focus on or resource appropriately. This includes examples where PEP has pushed for more robust corporate governance or a focus on health and safety measures. Additionally, PEP promotes its focus on ESG as being a core part of our investment philosophy and process which helps influence the Board and the focus on ESG issues.

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

Overarching portfolio company reports (or similar) where management disclosure, financial and ESG data are integrated

**Typical reporting frequency**

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad-hoc/when requested, specify
- Standalone reports highlighting targets and/or KPIs covering ESG issues
- Other, specify
- Board of Director reporting

**Typical reporting frequency**

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad-hoc/when requested, specify
- At Board of Director meetings
- No reporting on ESG issues requested and/or provided by portfolio companies

<b>PE 12.2</b>	Describe what level of reporting you require from portfolio companies, and indicate what percentage of your assets are covered by ESG reporting.[OPTIONAL]
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PEP seeks to obtain a board of directors seat or board observer seat wherever possible, and negotiates information rights on all of its portfolio companies. The Board of Directors reporting provides additional information to standard quarterly report and typically contains updates on ESG practices and developments.

**Outputs and outcomes**

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

<b>PE 15.1</b>	Provide examples of ESG issues that you identified in your potential and/or existing private equity investments during the reporting year.
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Add Example 1



Investment Stage	<input checked="" type="checkbox"/> Initial screening <input type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	<div style="background-color: #0070C0; color: white; padding: 2px;">ESG issues</div> <input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <b>Sector exclusion</b> <input type="checkbox"/> Governance
Sector(s)	Consumer goods
Impact (or potential impact) on the investment	Decision to decline opportunity
Activities undertaken to influence the investment and its response	<p><b>Print packaging equipment manufacturer:</b></p> <p>Due diligence on business model identified revenue exposure to tobacco industry.</p> <p>PEP could not get comfortable with social impact of business model, reputational exposure and potential challenges to exit the opportunity.</p>

Add Example 2

Investment Stage	<input type="checkbox"/> Initial screening <input checked="" type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	<div style="background-color: #0070C0; color: white; padding: 2px; display: inline-block;">ESG issues</div> <input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social Social business practices <input type="checkbox"/> Governance
Sector(s)	Telecommunications
Impact (or potential impact) on investment	Decision to decline opportunity
Activities undertaken to influence the investment and its response	<p><b>Company operating in the corrections and law enforcement space:</b></p> <p>Due diligence on business model highlighted risk of price gouging prisoners.</p> <p>PEP could not get comfortable with business model from social perspective.</p>

Add Example 3

Investment Stage	<input type="checkbox"/> Initial screening <input checked="" type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	<div style="background-color: #0070C0; color: white; padding: 2px;">ESG issues</div> <input type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance Code of ethics
Sector(s)	Transportation
Impact (or potential impact) on investment	Invested opportunity
Activities undertaken to influence the investment and its response	<b>Short line railroad transport services:</b> PEP worked with company and sponsor to improve governance: <ul style="list-style-type: none"> <li>Introduction of a new code of ethics</li> <li>Initiated discussion at board level to identify ESG-related opportunities and mitigate risks</li> </ul>

Add Example 4

Add Example 5

**PE 15.2**

Describe how you define and evaluate the materiality of ESG factors.

Material issues and risks are defined as material litigations, incidents and other material issues from an ESG perspective. Materiality is measured through a scoring system (1: Identified issue, 3: Adequate risk control, 5: Key driver of underlying business) for each area of assessment.

**Communication**

PE 16	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 6
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**PE 16.1**

Describe your organisation's approach to disclosing ESG incidents in private equity investments to your investor clients (LPs).

While PEP has not encountered any material ESG incidents to date, the team has procedures in place for a proactive communication in case of material incidents. Information to investors would include an assessment of the issue, measurable impact and intentions around resolving.

BlackRock

Reported Information

Public version

Direct - Property

## PRI disclaimer

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

## Overview

PR 01	Mandatory	Public	Core Assessed	PRI 1-6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

**PR 01.1** Indicate if your organisation has a Responsible Property Investment (RPI) policy.

Yes

**PR 01.2** Provide a URL or attach the document

URL

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

Attach Document

[BlackRock Real Assets Global Sustainability Mission Statement June 2016 \(002\).pdf \[146KB\]](#)

No

**PR 01.3** Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy.

In addition to the organisational policies that have been developed to integrate ESG throughout all of BlackRock's investment and portfolio management processes, BlackRock Real Assets has also developed a public Global Sustainability Mission Statement. A copy of this Global Sustainability Mission Statement has been attached to this document.

The Real Assets Global Sustainability Mission Statement provides an overview of the key sustainability principles and aspirations of BlackRock Real Assets, and applies to all of our global Real Estate and Infrastructure investments. The document acts as our public statement on sustainability and is made available through appropriate communication channels and when requested by stakeholders. The Mission Statement was also developed to be aligned with BlackRock's wider ESG and Corporate Governance Frameworks.

The Mission Statement outlines eight long-term aspirations for BlackRock Real Assets, focussed around key sector topics. These include legislative compliance, incorporating sustainability within our investment analysis and asset management processes, environmental measurement and reporting, targeting best-in-class sustainability certifications and stakeholder engagement. These objectives are considered long-term, and BlackRock Real Assets undertakes regular reviews of them to ensure they remain appropriate and relevant to our business activities, as well as BlackRock's wider organisational ESG commitments.

Under our Sustainability Mission Statement, regional and entity-level Sustainability Strategies have also been developed to provide detailed Actions Plans on how we will meet these aspirations, and to set comprehensive sustainability objectives, targets and key performance indicators.

## Fundraising of property funds

PR 02	Mandatory	Public	Core Assessed	PRI 1,4,6
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**PR 02.1**

Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

Yes

**PR 02.2**

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

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

**PR 02.3**

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

Where appropriate, BlackRock will provide detailed information on our approach to responsible investment for real estate as part of fund raising documents and other relevant client and stakeholder communications. Such information may include details of our sustainability investing policies and strategies, details of our approach to integrating ESG considerations within all of our investment selection and asset management processes, details of our performance within relevant industry benchmarks and other reporting frameworks, and relevant ESG examples and case studies from our existing property assets and portfolios.

ESG considerations are a part of our comprehensive due diligence processes for all new investments, and placement documents provide an overview of this diligence process and the ESG risks and opportunities that are considered. The monitoring of ESG factors and performance is also part of our post-investment monitoring.

BlackRock receives operational performance data from third-party property managers and utility providers covering ESG-related metrics, such as energy consumption and savings, energy supply and mix, water consumption and savings, and waste generation and management. Our placement documents provide an overview of the post-investment process and the ongoing measurable impact outcomes of our Funds.

No

Not applicable as our organisation does not fundraise

**PR 03**

**Voluntary**

**Public**

**Additional Assessed**

**PRI 4**

**PR 03.1**

Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment in property when requested by clients.

- We always make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a majority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a minority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitments to responsible investment in fund formation contracts, LPAs or side letters because our clients do not request us to do so

### Pre-investment (selection)

**PR 04**

**Mandatory**

**Public**

**Gateway/Core Assessed**

**PRI 1**

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

**PR 04.1**

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

Yes

**PR 04.2**

Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.

When evaluating all of our real estate and property investments, potential ESG factors and risks that may have material economic consequences throughout the investment life-cycle are fully considered by the investment management team, and such issues are also considered within the wider investment strategies. ESG performance, risks and opportunities are comprehensively analysed for all new acquisitions and are further factored into our investment decision and business plan processes for holding, disposal and asset management strategies. Issues that are considered include, but are not limited to, energy efficiency, energy supply, water efficiency, waste management, biodiversity management, flood risk, contaminated land, climate resilience and climate risks. Opportunities for third party green building certifications and/or standards, such as LEED, BREEAM and NABERS, are also considered for any new developments, refurbishments and maintenance projects.

As standard procedure, comprehensive Risk Assessments are also performed prior to, and during, the acquisition of all assets to ensure sustainable investing policies are properly integrated. Actions taken to mitigate identified risks are determined in partnership with appropriate appointed parties, including engineering, environmental and energy management consultants. Where appropriate, the BlackRock Real Assets Sustainability Manager will also review and consult on our real estate acquisitions and disposals to ensure all sustainability risks and opportunities are fully considered and factored into the wider investment decisions.

As part of a wider strategy to improve the integration of ESG considerations and analysis throughout all of our investment processes, BlackRock Real Assets is currently developing comprehensive ESG Questionnaires and more detailed ESG risk analysis procedures to be applied across the platform. These documents will provide a common ESG framework across our Real Assets platform and become embedded within our standard due diligence processes for all of our Real Estate and Infrastructure investments, including our equity and debt portfolios. The Questionnaires consider a wide range of ESG topics and will further require investment managers to consider any potential ESG risks and factors for every investment. They will also enable BlackRock to weight potential investments according to their ESG risks and impacts, and use this information to make increasingly responsible investment decisions as part of our wider sustainable investing strategies.

The long-term strategy of BlackRock Real Assets includes a focus on addressing ESG issues throughout all of our business operations, including, but not limited to, portfolio strategy, investment management, asset management, stakeholder engagement activities and ESG analysis within our own portfolio companies.

**PR 04.3**

Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process, and list up to three examples per issue.

**ESG issues**

Environmental



List up to three typical examples per E, S and G issue

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

List up to three typical examples per E, S and G issue

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

List up to three typical examples per E, S and G issue

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

List up to three typical examples per E, S and G issue

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

List up to three typical examples per E, S and G issue

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

List up to three typical examples per E, S and G issue

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

List up to three typical examples per E, S and G issue

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

List up to three typical examples per E, S and G issue

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

List up to three typical examples per E, S and G issue

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

No

**PR 04.4**

Additional information. [Optional]

A wide range of environmental, social and corporate governance factors are comprehensively considered within the investment selection process as part of our standard comprehensive ESG risk analysis and due diligence processes, which are undertaken for every new acquisition.

Potential ESG factors and risks that may have material economic consequences throughout the investment life-cycle are fully considered by the investment management team, and such issues are also considered within the wider investment strategies. ESG performance, risks and opportunities are analysed for all new acquisitions and are further factored into our investment decision and business plan processes for holding, disposal and asset management strategies.

Environmental issues that are considered include, but are not limited to, energy efficiency, energy supply, contaminated land, groundwater and surface water pollution, protected and sensitive species, water consumption, waste management, flood risk, climate change risks and climate adaption and resilience.

Social issues that are considered include, but are not limited to, asset manager labour rights, local labour rights, health and safety policies and training, on-site fatalities or accidents, local community impacts, local community engagement and conservation issues relating to local historic, heritage or cultural resources.

Governance issues that are considered include, but are not limited to, bribery and corruption, ethics and diversity, shareholder structure and rights, board structure and composition, executive compensation, independent directors and the disclosure of financial statements.

**PR 05**

**Voluntary**

**Public**

**Additional Assessed**

**PRI 1,3**

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

<b>PR 05.1</b>	Indicate what type of ESG information your organisation typically considers during your property investment selection process.
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- Raw data from the target property asset/company
- Appraisals/audits
- Benchmarks/ratings against similar property asset
- Country level data/benchmarks
- Data aligned with established property reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Data from engagements with stakeholders (e.g. tenants and local community surveys)
- Information from external advisers
- Other, specify
- We do not track this information

<b>PR 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>PR 06.1</b>	Indicate if ESG issues impacted your property investment selection process during the reporting year.
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- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

<b>PR 06.2</b>	Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.
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- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

<b>PR 06.3</b>	Additional information.
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Environmental, social and corporate governance risks and factors form a significant part of our investment due diligence process, and can be a very important factor within the wider investment decision-making process.

Investments that do not meet our stringent standards on ESG risk and performance will not be progressed through the broader Investment Committee process. Only where our investment teams are fully comfortable with all ESG factors, will the investments be further considered and ultimately presented to the relevant Investment Committee.

As with all investments, any potential ESG risks are considered in line with an analysis of risks and opportunities. Where there is concern that any identified risks could impact future value and return on investment for our clients, such risks may lead to the abandonment or restructuring of the deal. In addition, where any risks are identified that do not meet our own organisational environmental, social or corporate governance standards, these risks also may lead to abandonment.

Specific examples of where ESG issues have impacted property investment selection and deal structuring include investments which have been abandoned due to the identification of significant risks relating to contaminated land, pollution control, flood risk, biodiversity management and energy efficiency. In addition, there have been instances where ESG issues have influenced the price offered by BlackRock for a new investment. This includes examples where discounts have been negotiated due to the poor operational energy efficiency of an asset and the realisation that significant capital expenditure would be required to improve the energy efficiency of that asset in line with our own standards and expectations.

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

PR 07	Mandatory	Public	Core Assessed	PRI 4
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

PR 07.1	Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.
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Yes

PR 07.2	Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.
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Selection process of property managers incorporated ESG issues

	Types of actions
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- Request explanation of how ESG is effectively integrated, including inquiries about governance and processes
- Request track records and examples of how the manager implements ESG in their asset and property management
- Discuss property level out-performance opportunities through greater integration of ESG criteria
- Request explanation of engaging stakeholders on ESG issues
- Other, explain

	Coverage
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- >75% to 100%
- >50% to 75%
- >25% to 50%
- >0% to 25%
- Contractual requirements when appointing property managers includes ESG issues

#### Types of actions

- Include clear and detailed expectations for incorporating ESG
- Require dedicated ESG procedures in all relevant asset and property management phases
- Clear ESG reporting requirements
- Clear ESG performance targets
- Other, explain

#### Coverage

- >75% to 100%
  - >50% to 75%
  - >25% to 50%
  - >0% to 25%
- Monitoring of property managers covers ESG responsibilities and implementation

#### Types of actions

- Performance against quantitative and material environmental / resource targets over specified timeframe.
- Performance against quantitative and material environmental / resource targets against relevant benchmarks
- Performance against quantitative and qualitative targets to address social impacts of the portfolio/investment,
- Other, explain

Objectives are set for our major Property Managers to assist BlackRock with the collation, management, analysis and reporting of environmental performance indicators within each asset.

#### Coverage

- >75% to 100%
  - >50% to 75%
  - >25% to 50%
  - >0% to 25%
- No

#### PR 07.3

Provide a brief description of your organisations selection, appointment and monitoring of third party property managers and how they contribute to the management of ESG issues for your property investments.

As part of our comprehensive selection and management processes for all third party property managers, BlackRock completes risk assessments, detailed questionnaires and analytics to ensure any potential issues can be identified and factored into our appointment decisions for all new property managers. In addition, annual reviews are undertaken of existing property managers to ensure they continue to meet our standards and expectations.

As part of these processes, BlackRock requests information on the environmental policies of potential property managers, in addition to information on any environmental permits and licenses held and how environmental management and compliance is overseen within the organisation. BlackRock also requires the disclosure of any environmental fines, penalties or prosecutions that may have been incurred within the last three years.

Information relating to health and safety policies, management practices and sub-contractor appointment and management is also requested to highlight any potential issues and better inform future management and monitoring requirements. We also gather data on crisis management, major incident management, procurement and

supply chain management and fair recruitment and employment. We also examine the provision of appropriate training and awareness programs for all employees of potential third party appointments.

Sustainability objectives have been set for our main property managers across all of our property portfolios. Specifically, these include objectives to work with BlackRock to help manage the collation, analysis and reporting of environmental data across our portfolios and help ensure we are able to continue to meet our own sustainability commitments and related legal obligations. BlackRock also regularly reviews our property manager sustainability performance in Quarterly meetings to discuss and address any issues that may have arisen.

## Post-investment (monitoring and active ownership)

### Overview

PR 08	Mandatory	Public	Gateway	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

PR 08.1	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.
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Yes

PR 08.2	Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.
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- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and major renovations.
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

PR 08.3	Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.
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The long-term strategy of BlackRock Real Assets includes a focus on addressing ESG issues throughout all of our business operations, including post-investment activities and day-to-day asset management activities across all of our global real estate portfolios.

We continually develop initiatives to improve the monitoring, management and reporting of environmental performance across our property portfolios to enable improved benchmarking and to drive improvements in our sustainability performance. We established a range of monitoring programs across our real estate portfolios to regularly monitor and report data for energy consumption, water consumption, greenhouse gas emissions and waste management. BlackRock also works closely with our appointed property managers, on-site building managers and specialist consultants to capture real-time ESG data and use this to track and analyse asset-level and portfolio performance.

BlackRock continues to grow its focus on asset management initiatives and engagement activities that will improve our ESG performance. Within our real estate portfolios, a number of practices enable investors to evaluate and improve sustainability performance. Some of the sustainable asset management initiatives that have been successfully implemented are outlined below.

Opportunities to reduce energy consumption and improve energy efficiency are assessed for estimated implementation costs, environmental and social impacts and associated payback periods. Projects to date include the fitting of energy efficient lighting, including LED and PIR motion sensed lighting, the installation



of automatic meter readings and the upgrade of building management systems to increase the efficiency and control of energy use throughout various properties.

Initiatives to improve the monitoring, management and reporting of energy data across our assets has enabled improved benchmarking and help drive reductions in energy consumption and associated carbon emissions. This includes working with third-party environmental consultants and energy specialists to audit properties and help identify where major efficiencies can be realised.

BlackRock has developed commercially practicable green clauses for inclusion in new lease agreements to improve environmental performance and increase reporting transparency of our real estate fund properties.

We regularly evaluate reliance on grid electricity and opportunities to introduce on-site renewables and more sustainable, self-sufficient sources of energy. Renewable energy feasibility studies have been undertaken across a number of our property portfolios to explore opportunities for small-scale on-site technologies, including solar photo-voltaic panels and biomass burners. Opportunities for the installation of electric-vehicle (EV) charge points at major industrial and retail properties are also regularly explored.

Air Quality Monitoring is undertaken at select assets to capture and assess data relating to indoor air quality within the properties and to assess the optimisation of on-site ventilation systems, demand controlled ventilation systems, humidifiers and air filtration systems. The outcomes of such audits are used to determine indoor air quality and identify opportunities for reducing and minimizing any sources of indoor air pollution.

When appropriate, our asset managers, together with our dedicated Real Assets Sustainability Manager, engage with tenants and occupiers of our property assets to raise environmental awareness, promote best practice on energy, water and waste management and resource efficiency, and develop bespoke initiatives to address and reduce environmental and social impacts.

Specifically for those properties within our portfolios which are undergoing construction, development or major refurbishment, BlackRock will engage with our contactors to ensure that sustainability best practice is being factored into our programmes of works. Considerations include, but are not limited to, material use and resource efficiency, energy efficiency technologies and upgrades, on-site waste management and the development of site waste management plans, pollution control and the protection of local biodiversity.

BlackRock also uses recognized third party green building assessment programmes and certification schemes to ensure appropriate management frameworks are set and adhered to throughout our development and refurbishment programmes. This may include international programmes such as LEED and BREEAM, as well as more local, national-level certification programmes and standards, such as HQE, DGNB and NABERS.

No

## Property monitoring and management

PR 09	Mandatory	Public	Core Assessed	PRI 2,3
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

PR 09.1	Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.
---------	--

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

(in terms of number of property assets)

**PR 09.2** Indicate which ESG targets your organisation and/or property managers typically set and monitor

Environmental

Target/KPI	Progress Achieved
Energy and Carbon Reduction	~10%
Waste Diversion from Landfill	100%
Renewable Energy Procurement	TBC

Social

Target/KPI	Progress Achieved
Tenant and Occupier Engagement	~25%
Client Reporting and Engagement on ESG	100%
Health and Safety Audits	100%

Governance

Target/KPI	Progress Achieved
Green Clauses in all New Lease Agreements	100%
Governance checks on all Property Managers	100%

We do not set and/or monitor against targets

<b>PR 10</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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**PR 10.1** Indicate whether your property assets are assessed against certification schemes, ratings and/or benchmarks

Yes

**PR 10.2** List the certification schemes, ratings and/or benchmarks your property assets are assessed against and what proportion of your property assets they apply to.

Add certification scheme, rating and benchmark 1

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

Add certification scheme, rating and benchmark 2

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

Add certification scheme, rating and benchmark 3

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

No

**PR 10.3** Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

- Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- Other property reporting standards, specify  
**GRESB; ULI Greenprint Foundation, NABERS**
- No property specific reporting standards are used

PR 10.4	Additional information.
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Opportunities for third party green building certifications are regularly reviewed across all of our portfolios, and the achievement of such certifications is a standard practice considered in our investment selection and asset management processes. Opportunities for third party green building certifications are also considered for any new construction, development or major refurbishment activities across our portfolios, with specific considerations given to the most appropriate standard as dictated by project type, property type and the regional market.

Standards and certifications that are considered include, but are not limited to LEED, BREEAM, NABERS, Energy Star, HQE, DGNB and the BCA Green Mark. BlackRock has a strong track record for achieving high performing, sustainability certifications for assets across our global real estate portfolios. Examples include assets that have achieved LEED Platinum, LEED Gold and BREEAM 'Excellent' awards. As standard practice, EU Energy Performance Certificates (EPC) are also obtained for all assets within our UK and European portfolios and EPC ratings are regularly reviewed and factored into capital expenditure, refurbishment and maintenance projects.

As part of our commitment to addressing and mitigating ESG issues throughout our portfolios, as well as providing greater transparency to our investor clients, BlackRock Real Assets also reports our property portfolios into a number of industry sustainability benchmarks, including the Global Real Estate Sustainability Benchmark (GRESB) and the Urban Land Institute (ULI) Greenprint Programme.

**Property developments and major renovations**

PR 11	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

PR 11.1	Indicate the proportion of active property developments and major renovations where ESG issues have been considered.
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- >90% of active developments and major renovations
- 51-90% of active developments and major renovations
- 10-50% of active developments and major renovations
- <10% of active developments and major renovations
- N/A, no developments and major renovations of property assets are active

(by number of active property developments and refurbishments)

<b>PR 11.2</b>	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and major renovations.
----------------	---

- Environmental site selection requirements
- Environmental site development requirements
- Sustainable construction materials
- Water efficiency requirements
- Energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Construction contractors comply with sustainability guidelines
- Resilient building design and orientation
- Other, specify

Any other potential ESG issues are also considered, including, but not limited to: {\*See Additional Information section}.

<b>PR 11.3</b>	Additional information. [Optional]
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\*From PR 11.2: Any other potential ESG issues are also considered, including, but not limited to, energy supply, on-site contaminated land, on-site groundwater and surface water pollution, pollution control, local biodiversity and habitat, flood risk, climate risk and resilience, local community impacts and local community engagement opportunities.

## Occupier engagement

<b>PR 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>PR 12.1</b>	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
----------------	---

- >90% of occupiers
- 50-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)

<b>PR 12.2</b>	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
----------------	---

- Distribute a sustainability guide to occupiers
- Organise occupier events focused on increasing sustainability awareness
- Deliver training on energy and water efficiency
- Deliver training on waste minimisation
- Provide feedback on energy and water consumption and/or waste generation
- Provide feedback on waste generation
- Carry out occupier satisfaction surveys
- Offer green leases
- Other, specify

<b>PR 12.3</b>	Additional information. [Optional]
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Opportunities for tenant engagement are regularly reviewed across our property portfolios and we aim to continually increase the level of engagement we have with tenants, specifically on sustainability issues. Examples of previous engagement activities that have been undertaken include 'Switch-off Weeks' and 'Waste Awareness Weeks' within some of our major office, retail and multi-family assets, as well as engaging with local schools and communities on biodiversity management and health and well-being.

Working with our Property Managers, BlackRock also undertakes annual Tenant Engagement Surveys with all tenants across our portfolios. Every response received from the annual Surveys is sent onto the relevant Property Manager responsible for that site. The Property Manager will collate all responses and directly engage with the tenants on the outcomes of the survey to ensure that any highlighted issues are addressed. The Survey will also be used as an opportunity to identify future opportunities for improving environmental and sustainability performance, as well as opportunities for improving other areas, such as maintenance, housekeeping and security.

Tenant Meetings are also held at many of our larger office, retail and multi-family properties. The meetings are arranged with our Property Managers and attendance is open to all tenants within the property. The meetings are often held monthly and used to discuss a wide range of topics relating to the property. Sustainability performance is always included as an agenda item and helps enable discussion on issues such as energy efficiency, energy and carbon reduction, water efficiency and sustainable waste management and recycling. Options for community engagement and collaboration with local charities on recycling and sustainable waste management programs may also be discussed. Where possible, BlackRock's Real Assets Sustainability Manager may also attend such meetings.

<b>PR 13</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>PR 13.1</b>	Indicate the proportion of all leases signed during the reporting year that used green leases or the proportion of Memoranda of Understandings (MoUs) with reference to ESG issues.
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- >90% of leases or MoUs
- 50-90% of leases or MoUs
- 10-50% of leases or MoUs
- <10% of leases or MoUs
- 0% of leases or MoUs
- N/A, no leases or MoUs were signed during the reporting year

(in terms of number of leases or MoUs)

PR 13.2	Additional information.
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Working with appointed Legal Advisors, together with our internal Real Estate Legal Teams, BlackRock regularly reviews the opportunities for improving the use of practical 'Green Clauses' within all new tenant lease agreements. Such clauses aim to improve, where possible, the environmental and energy management, data sharing and reporting opportunities for each asset.

Areas covered within such clauses include the operation of the asset in line with any standing green building certification and/or energy ratings, such as LEED, BREEAM and EPCs, co-operation with the landlord to implement any measures to improve the energy efficiency of the property and, where possible, cooperation with the landlord to help drive the sharing of best-practice, environmental performance data and other information on asset-level sustainability performance.

## Community engagement

PR 14	Voluntary	Public	Additional Assessed	PRI 2
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PR 14.1	Indicate what proportion of property assets your organisation, and/or your property managers, engaged with the community on ESG issues during the reporting year.
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- >90% of property assets
- 50-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

PR 14.2	Indicate if the following areas and activities are typically part of your, and/or your property managers', community engagement.
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- ESG education programmes for the community
- ESG enhancement programmes for public spaces
- Research and networking activities focusing on ESG issues
- Employment creation in communities
- Supporting charities and community groups
- Other, specify

## Outputs and outcomes

PR 15	Voluntary	Public	Additional Assessed	PRI 1,2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**PR 15.1** Indicate whether your organisation measures how your approach to responsible investment in property investments has affected financial and/or ESG performance.

- We measure whether our approach to ESG issues impacts funds' financial performance
- We measure whether our approach to ESG issues impacts funds' ESG performance

**PR 15.2b** Describe the impact on the following.

Describe the impact on:	Impact
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

- None of the above

**PR 15.3** Describe how you are able to determine these outcomes.

Since the introduction of increasingly robust and comprehensive ESG risk analysis measures across all of our investment and due diligence processes, BlackRock has realised a greater transparency of ESG performance across all of our investments. ESG performance, risks and opportunities are comprehensively analysed for all new acquisitions and are further factored into our investment decision and business plan processes for holding, disposal and asset management strategies.

Such approaches have enabled greater asset-level ESG information to be collated from the acquisition processes, and have also helped provide greater information on ESG risks factors to our investment teams during due diligence. This, in turn, has contributed to a higher standard of assets being acquired into our portfolios, which has driven continual improvements in portfolio-wide ESG management and performance. Measured improvements have included portfolio-wide energy and water efficiency, improved waste management, improved biodiversity management and increased tenant engagement.

Where possible, asset-level reporting of key ESG outcomes is undertaken on an asset-level basis and accrued to provide portfolio-wide performance metrics. BlackRock uses this data to inform the operational management of our assets and to identify where improved sustainability performance could be realised. This information is also provided to investors on a Quarterly basis within our Fund Quarterly Reports. Through the measurement and reporting of such metrics, BlackRock has also been able to determine improved ESG performance across our portfolios.

A range of ESG metrics are measured and reported across our real estate portfolios, including, but not limited to, energy consumption, water consumption, Scope 2 greenhouse gas emissions, energy consumption mix, biodiversity management and client engagement on ESG management and performance.

<b>PR 16</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1,3</b>
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**PR 16.1** Provide examples of ESG issues that affected your property investments during the reporting year.

- Add Example 1



ESG issue	Energy Performance
Types of properties affected	Commercial properties of various property type and in various geographical locations
Impact (or potential impact) on investment	Financial impacts, including concerns over future operating costs, future asset value implications, leasing restrictions, non-compliance with future environmental and/or energy regulations and the impacts of future capital expenditure that would be required to increase energy performance.
Activities undertaken to influence the investment and the outcomes	<p>Energy auditing and technical due diligence audits are undertaken for all new acquisitions to determine the current energy performance and to identify future efficiency opportunities.</p> <p>In instances where we feel that the energy efficiency of an asset does not meet our standards, we have negotiated reduced prices on acquisition to factor into the capital expenditure that will be required to improve energy performance.</p>

Add Example 2

ESG issue	Energy and Water Consumption
Types of properties affected	Commercial properties of various property type and in various geographical locations
Impact (or potential impact) on investment	<p>Energy and water consumption is considered for all new investments and regularly reviewed for existing investments.</p> <p>We factor the costs of installing energy and water efficiency technologies, features and other measures into all new construction and major refurbishment deals. Where possible, such considerations are made at an early stage of the due diligence process to ensure any such measures can be factored into the design and development stages of our projects.</p>
Activities undertaken to influence the investment and the outcomes	<p>BlackRock works with specialist environmental consultants and energy managers to determine the energy and water efficiency opportunities for all new construction and major development projects.</p> <p>We also use best practice third party green building certification to provide a framework for developing and redeveloping assets to high environmental standards, and ensuring that energy and water efficiency measures are fully integrated into the wider development plans.</p>

Add Example 3

ESG issue	Contaminated Land
Types of properties affected	Commercial properties of various property type and in various geographical locations
Impact (or potential impact) on investment	Financial impact and future concerns over contaminated land and pollution control, including the costs of land removal, remediation and ongoing pollution monitoring. Wider concerns also existed on the long-term impacts of any contamination and/or pollution impacts to the environment and human health.
Activities undertaken to influence the investment and the outcomes	BlackRock has abandoned deals due to the identified presence of contaminants or pollutants on-site, especially when such contaminants or pollutants were considered unmanageable or of a risk where they presented a significant hazard to the local environmental and/or human health.

Add Example 4

ESG issue	Flood Risk and Climate Risk
Types of properties affected	Commercial properties of various property type and in various geographical locations
Impact (or potential impact) on investment	Environmental concerns over the location of assets and the current and future implications of flood risk and climate risk that may impact the asset.  This includes flooding from sea level rise and storm surges, and also considers wider climate risks such as increased extreme weather events, increased precipitation and wind speed and drought.
Activities undertaken to influence the investment and the outcomes	Flood risk and other climate risks are considered for all new investments are regularly reviewed for existing assets as part of our comprehensive ESG risks analysis and due diligence.  BlackRock works with specialist environmental consultants to understand the likely future climate implications on any assets, such as an increased risk of flooding, extreme weather events and drought.  BlackRock has abandoned deals when we have considered flood risk to be too great, including risks from projected sea level rise and increased precipitation.

Add Example 5

# BlackRock

## Reported Information

### Public version

### Direct - Infrastructure

## PRI disclaimer

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

## Overview

INF 01	Voluntary	Public	Descriptive	PRI 1-6
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INF 01.1	Provide a brief overview of your organisation's approach to responsible investment in infrastructure where you have equity stakes.
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BlackRock Real Assets, which includes all of our global Infrastructure and Real Estate investments, is fully committed to managing our environmental, social and corporate governance (ESG) impacts in a compliant and responsible manner and ensuring that responsible investment remains an important part of our business ethos. This ideal is fully aligned and supported by the wider ESG strategies of BlackRock and the firm-wide commitment to address sustainability risks and opportunities throughout all of our investment decisions.

One of BlackRock's primary objectives is to secure better financial futures for our clients and the people they serve. Importantly, we recognise that to achieve this goal, we must ensure the long-term sustainability of both our own firm and the investments we make on behalf of our clients. This requires being a responsible corporate citizen and taking into account ESG issues that have real and quantifiable financial impacts over the long-term for our firm and the firms in which we invest.

At BlackRock, we actively seek to integrate ESG issues into all of our investment processes, including all of our Infrastructure investment processes. Our activities to integrate ESG into the investment process are varied, and mirror the diversity of clients we serve, as well as the range of investment strategies and asset classes we offer. We include in our processes factors that in our judgment will affect the economic performance of investments over time, including the financial impact of ESG factors, which can provide additional insights into the opportunity and risk profile of an investment. These may include board leadership, management quality in areas such as health and safety, employee relations, product liability and development, mitigation of risk (e.g., physical risks, reputational risk, regulatory risk and legal risks), and general responsiveness to a changing operational landscape and set of societal expectations. BlackRock does not believe there is any single standard or policy for managing individual ESG issues, and believes varied approaches may be successfully executed by various companies.

At BlackRock, investment teams, including our Infrastructure Investments Teams, design portfolio construction processes appropriate to their investment objectives and clients' needs. To aid ESG integration across the firm, we provide investor education, and integrated issuer level ESG information into the firm's investment and risk management system, Aladdin, which BlackRock investors can use to make investment decisions and monitor portfolios. As a result, BlackRock's global investors have available to them ESG metrics that can inform the investment processes by identifying long-term risks and value drivers and enabling portfolio reporting and analytics. New data and research continues to emerge, improving understanding of ESG related risks and opportunities. We continue to add resources to offer clients relevant insights and investment strategies to meet their diverse sustainable needs.

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

INF 02.2	Provide a URL if your policy is publicly available.
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<https://www.blackrock.com/corporate/responsibility>

No

**INF 02.3**

Additional information. [Optional]

In addition to the organisational policies that have been developed to integrate ESG throughout all of BlackRock's investment and portfolio management processes, BlackRock Real Assets has also developed a public Global Sustainability Mission Statement. A copy of this Global Sustainability Mission Statement has been attached to this document and is attached to our Direct Property report module.

The Real Assets Global Sustainability Mission Statement provides an overview of the key sustainability principles and aspirations of BlackRock Real Assets, and applies to all of our global Real Estate and Infrastructure investments. The document acts as our public statement on sustainability and is made available through appropriate communication channels and when requested by stakeholders. The Mission Statement was also developed to be aligned with BlackRock's wider ESG and Corporate Governance Frameworks.

The Mission Statement outlines eight long-term aspirations for BlackRock Real Assets, focussed around key sector topics. These include legislative compliance, incorporating sustainability within our investment analysis and asset management processes, environmental measurement and reporting, targeting best-in-class sustainability certifications and stakeholder engagement. These objectives are considered long-term, and BlackRock Real Assets undertakes regular reviews of them to ensure they remain appropriate and relevant to our business activities, as well as BlackRock's wider organisational ESG commitments.

Under our Sustainability Mission Statement, regional and entity-level Sustainability Strategies have also been developed to provide detailed Actions Plans on how we will meet these aspirations, and to set comprehensive sustainability objectives, targets and key performance indicators.

## Fundraising of infrastructure funds

**INF 03****Mandatory****Public****Core Assessed****PRI 1,4,6****INF 03.1**

Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

Yes

**INF 03.2**

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

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

**INF 03.3**

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

Where appropriate, BlackRock will provide detailed information on our approach to responsible investment for Infrastructure as part of fund raising documents and other relevant client and stakeholder communications. Such information may include details of our sustainability investing policies and strategies, details of our approach to integrating ESG considerations within all of our investment selection and asset management processes, details of our performance within relevant industry benchmarks and other reporting frameworks, and relevant ESG examples and case studies from our existing assets and portfolios.

ESG considerations are a part of our comprehensive due diligence processes for all new investments, and placement documents provide an overview of this diligence process and the ESG risks and opportunities that are considered. The monitoring of ESG factors and performance is also part of our post-investment monitoring. BlackRock receives operational performance data from sponsors and operators covering ESG-related metrics, such as renewable energy generated, water consumption and savings, operational and displaced greenhouse gas emissions, and local community support and contributions. Our placement documents provide an overview of the post-investment process and the ongoing measurable impact outcomes of our Funds.

- No
- Not applicable as our organisation does not fundraise

<b>INF 04</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 4</b>
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<b>INF 04.1</b>	Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment in infrastructure when requested by clients.
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- We always make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a majority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a minority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitments to responsible investment in fund formation contracts, LPAs or side letters because our clients do not request us to do so

## Pre-investment (selection)

<b>INF 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 1</b>
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<b>INF 05.1</b>	Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.
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- Yes

<b>INF 05.2</b>	Describe your organisation's approach to incorporating ESG issues in infrastructure investment selection.
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When evaluating all of our Infrastructure investments, potential ESG factors and risks that may have material economic consequences throughout the investment life-cycle are fully considered by the investment management team, and such issues are also considered within the wider investment strategies. ESG performance, risks and opportunities are comprehensively analysed for all new acquisitions and are further factored into our investment decision and business plan processes for holding, disposal and asset management strategies. Issues that are considered include, but are not limited to, energy efficiency, renewable energy production, water efficiency, waste management, biodiversity management, flood risk, contaminated land, climate resilience and climate risks. Opportunities for third party green building certifications and/or standards are also considered for any new developments, refurbishments and maintenance projects.

As standard procedure, comprehensive Risk Assessments are also performed prior to, and during, the acquisition of all assets to ensure sustainable investing policies are properly integrated. Actions taken to mitigate identified risks are determined in partnership with appropriate appointed parties, including engineering, environmental and energy management consultants. Where appropriate, the BlackRock Real Assets Sustainability Manager will also review and consult on our Infrastructure acquisitions and disposals to ensure all sustainability risks and opportunities are fully considered and factored into the wider investment decisions.

Opportunities for ongoing ESG management, such as operational energy monitoring, biodiversity management and local community support and engagement programmes, are also considered at investment stage as part of the future asset management activities. Opportunities for ESG reporting, including Impact Reporting, are also explored for appropriate investments to ensure transparent stakeholder disclosures on key ESG measurable and outcomes, including renewable energy generation, displaced greenhouse gas emissions and resource efficiencies and savings.

As part of a wider strategy to improve the integration of ESG considerations and analysis throughout all of our investment processes, BlackRock Real Assets is currently developing comprehensive ESG Questionnaires and more detailed ESG risk analysis procedures to be applied across the platform. These documents will provide a common ESG framework across our Real Assets platform and become embedded within our standard due diligence processes for all of our Infrastructure and Real Estate investments, including our equity and debt portfolios. The Questionnaires consider a wide range of ESG topics and will further require investment managers to consider any potential ESG risks and factors for every investment. They will also enable BlackRock to weight potential investments according to their ESG risks and impacts, and use this information to make increasingly responsible investment decisions as part of our wider sustainable investing strategies.

The long-term strategy of BlackRock Real Assets includes a focus on addressing ESG issues throughout all of our business operations, including, but not limited to, portfolio strategy, investment management, asset management, stakeholder engagement activities and ESG analysis within our own portfolio companies.

No

<b>INF 06</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1,4</b>
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<b>INF 06.1</b>	Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the infrastructure investment selection process.
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- Internal staff
  - Specify role
    - \*See Additional Info
  - Specify role
    - Real Assets Sustainability Manager
  - Specify role
    - BlackRock Sustainable Investing Team
- External resources
  - Environmental advisors
  - Social advisors
  - Corporate governance advisors
  - Regulatory and/or legal advisors
  - Other, specify type of advisors/roles
    - Renewable Energy Technical Advisors; Energy and Carbon Consultants
- No use of internal or external advice on ESG issues

<b>INF 06.2</b>	Additional information.
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From 6.1: \*Global Head of Real Assets Sustainable Investing

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

Specifically within the BlackRock Real Assets Team, at the end of 2017 we appointed a new Global Head of Real Assets Sustainable Investing to ensure that sustainable investing themes continue to be developed and embedded across our global Real Assets investments, portfolio management, product development, reporting and communications. The Global Head of Real Assets Sustainable Investing is also responsible for reporting back to Senior Leadership on such matters.

BlackRock Real Assets also has a dedicated Sustainability Manager, who works across our global real estate and infrastructure to develop, coordinate and implement strategies that advance their sustainability performance. As part of this, the Sustainability Manager works closely with our investment and asset management teams to implement policies and practices that drive improvements in operating efficiency and that reduce the environmental and social impacts associated with our investments. The Real Assets Sustainability Manager is also responsible for

coordinating ESG monitoring activities across our portfolios. The Real Assets Sustainability Manager reports into the Global Head of Real Assets Sustainable Investing.

BlackRock also has a dedicated Investment Stewardship Team who work with portfolio managers to provide specialist insight on ESG considerations on all investment strategies. The BlackRock Investment Stewardship Team now comprises over 30 specialists based across six offices in five countries in the US, UK, Japan, Hong Kong and Australia. The team works to evaluate and engage with portfolio companies on ESG risks within their local markets on behalf of BlackRock's clients globally. They also work closely with internal and external experts across the globe. The Global Head of our Investment Stewardship Team reports to the firm's Vice Chairman and co-founder.

To support our leadership in implementing ESG consciousness across the asset management industry, BlackRock also has a dedicated BlackRock Sustainable Investing Team (previously BlackRock Impact Investing) who work with investors to help them define their sustainable investing goals and build innovative, outcome orientated solutions. The Sustainable Investing Team has grown significantly within the last 12 months and now comprises 16 investment professionals located across the US, EMEA and APAC. Recent additions to the team have included the appointments of a new Global Head of Sustainable Investing and a new Chief Investment Officer of Sustainable Investing.

INF 07	Mandatory	Public	Core Assessed	PRI 1,3
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INF 07.1	Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.
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**ESG issues**

Environmental

List up to three typical examples of environmental issues

- Local Environment Impacts and Pollution Risks
- Resource Use and Energy Efficiency
- Flood Risk and wider Climate Risks

Social

List up to three typical examples of social issues

- Labour Management
- Health and Safety
- Local Communities and Stakeholders

Governance

List up to three typical examples of governance issues

- Governance Structures
- Business Integrity and Non-compliance
- Corporate Governance and Corruption

INF 07.2	Additional information. [Optional]
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A wide range of environmental, social and corporate governance factors are comprehensively considered within the investment selection process as part of our standard comprehensive ESG risk analysis and due diligence processes, which are undertaken for every new acquisition.

Potential ESG factors and risks that may have material economic consequences throughout the investment life-cycle are fully considered by the investment management team, and such issues are also considered within the



wider investment strategies. ESG performance, risks and opportunities are analysed for all new acquisitions and are further factored into our investment decision and business plan processes for holding, disposal and asset management strategies.

Environmental issues that are considered include, but are not limited to, energy efficiency, energy supply, renewable energy output, contaminated land, groundwater and surface water pollution, noise pollution, protected and sensitive species, water consumption, waste management, flood risk, climate change risks and climate adaptation and resilience.

Social issues that are considered include, but are not limited to, asset manager labour rights, local labour rights, health and safety policies and training, on-site fatalities or accidents, local community impacts, local community engagement and conservation issues relating to local historic, heritage or cultural resources.

Governance issues that are considered include, but are not limited to, bribery and corruption, ethics and diversity, shareholder structure and rights, board structure and composition, executive compensation, independent directors and the disclosure of financial statements.

<b>INF 08</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,3</b>
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<b>INF 08.1</b>	Indicate what type of ESG information your organisation typically considers during your infrastructure investment selection process.
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- Raw data from the target infrastructure asset/company
- Benchmarks/ratings against similar infrastructure asset
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, infrastructure sector codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. contractors and suppliers)
- Advice from external sources
- Other, specify
- We do not track this information

<b>INF 09</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>INF 09.1</b>	Indicate if ESG issues impacted your infrastructure investment selection processes during the reporting year.
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- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- Other, specify
- We do not track this potential impact

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

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- We do not track this potential impact

**INF 09.3**

Additional information.

Environmental, social and corporate governance risks and factors form a significant part of our investment due diligence process, and can be a very important factor within the wider investment decision-making process.

Investments that do not meet our stringent standards on ESG risk and performance will not be progressed through the broader Investment Committee process. Only where our investment teams are fully comfortable with all ESG factors, will the investments be further considered and ultimately presented to the relevant Investment Committee.

As with all investments, any potential ESG risks are considered in line with an analysis of risks and opportunities. Where there is concern that any identified risks could impact future value and return on investment for our clients, such risks may lead to the abandonment or restructuring of the deal. In addition, where any risks are identified that do not meet our own organisational environmental, social or corporate governance standards, these risks also may lead to abandonment.

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

**INF 10****Mandatory****Public****Core Assessed****PRI 4****INF 10.1**

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

Yes

**INF 10.2**

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

- Selection process of third-party operators incorporates ESG issues
  - For all third-party operators
  - For a majority of third-party operators
  - For a minority of third-party operators
- Contractual requirements when appointing third-party operators includes ESG issues
  - For all third-party operators
  - For a majority of third-party operators
  - For a minority of third-party operators
- Monitoring of third-party operators covers ESG responsibilities and implementation
  - For all third-party operators
  - For a majority of third-party operators
  - For a minority of third-party operators

**INF 10.3**

Provide a brief description of your organisation's selection, appointment and monitoring of third-party operators. [Optional]

BlackRock Real Assets has integrated ESG monitoring into its post-investment monitoring processes for all of its infrastructure investments. In order to manage and monitor our investments thoroughly, appropriate operators must be appointed to ensure that the day-to-day operations of our assets is undertaken in a responsible and legally compliant manner.

We aim to ensure that all third-party operators are aware of their ESG requirements, and that assets are managed and operated in a consistent and responsible manner throughout their full lifecycle. This also extends to the collation and management of high quality operational performance data and the provision of such data to BlackRock.

As such, within the selection process for all third-party operators, BlackRock actively considers potential operators' capabilities in meeting our ESG requirements and in providing the correct data points. BlackRock also conducts annual reviews of all our third-party operators to ensure they continue to meet their expected performance standards.

**INF 10.4**

Describe how your third-party operators contribute to the management of ESG issues for your infrastructure investments. [Optional]

**Reporting of ESG-related KPIs**

Our Asset Managers report periodically on the environmental and social performance of each investment as part of our wider Operational Asset Management Reports. The Fund Operational Team review all of the information provided and, if required, further engage with the Asset Managers on ESG performance at an investment-level.

**Integration of ESG-related issues into business plans**

BlackRock Real Assets always seeks to incorporate the necessary undertakings in our asset management documentation to contractually oblige the Asset Managers to operate each Project in accordance with all environmental and social requirements, in addition to industry-recognised best practice. Such requirements are included within the Asset Management contracts and wider Project-level Operational Business Plans and are reviewed annually.

In addition to the above, BlackRock Real Assets works with our Asset Managers to develop project-specific activities as part of our bespoke Operational Business Plans. This may include, but is not limited to, the contractual requirement to undertake activities relating to avian mitigation strategies, noise monitoring, wildlife protection and conservation, and community engagement and support.

No

**Post-investment (monitoring and active ownership)**

**Overview**

**INF 11**

**Mandatory**

**Public**

**Gateway**

**PRI 2**

**INF 11.1**

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

Yes

**INF 11.2**

Indicate how your organisation, and/or operators, considers ESG issues in the following post-investment activities relating to your infrastructure assets.

- We consider ESG issues in the monitoring and operation of infrastructure
- We consider ESG issues in infrastructure maintenance
- We consider ESG issues in stakeholder engagements related to our infrastructure
- We consider ESG issues in other post-investment activities, specify

INF 11.3

Describe how your organisation, and/or operators, considers ESG issues in post-investment activities related to your infrastructure investments. [Optional]

BlackRock Real Assets has integrated ESG monitoring into its post-investment monitoring processes for all of its infrastructure investments. In order to manage and monitor our investments thoroughly, appropriate operators must be appointed to ensure that the day-to-day operations of our assets is undertaken in a responsible and legally compliant manner.

No

## Infrastructure monitoring and operations

INF 12

Mandatory

Public

Core Assessed

PRI 2

INF 12.1

Indicate the proportion of infrastructure assets for which your organisation and/or operators included ESG performance in investment monitoring during the reporting year.

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

(in terms of number of infrastructure assets)

INF 12.2

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

Environmental

List up to three example targets per issue

Biodiversity and Habitat Protection  
Renewable Energy Generated  
Energy and Water Consumption Savings

Social

List up to three example targets per issue

Community Engagement and Support  
Local Labour and Job Creation  
Local Education and Training Programmes

Governance

List up to three example targets per issue

Financial Reporting and Disclosure  
Non-compliance Penalties  
Corporate Governance Policies

We do not set and/or monitor against targets

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

Yes

INF 13.2	Indicate the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).
----------	--

- >90% of infrastructure investees
- 51-90% of infrastructure investees
- 10-50% of infrastructure investees
- >0% and <10% of infrastructure investees
- 0% of infrastructure investees

(in terms of number of infrastructure investees)

No

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

### Type of Reporting

Overarching portfolio asset/company reports or similar where management disclosure, financial and ESG data are integrated

Typical reporting frequency
-----------------------------

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad-hoc/when requested, specify
- Standalone reports highlighting targets and/or KPIs covering ESG issues

Typical reporting frequency
-----------------------------

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify
- Other, specify
- No reporting on ESG issues requested and/or provided by infrastructure investees

<b>Infrastructure maintenance</b>
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<b>INF 15</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>INF 15.1</b>	Indicate the proportion of active infrastructure maintenance projects where ESG issues have been considered.
-----------------	--

- >90% of active maintenance projects
- 51-90% of active maintenance projects
- 10-50% of active maintenance projects
- <10% of active maintenance projects
- N/A, no maintenance projects of infrastructure assets are active

(in terms of number of active maintenance projects)

<b>INF 15.2</b>	Describe your approach to ESG considerations for infrastructure maintenance projects. [Optional]
-----------------	--

As standard practice, ESG issues are considered within all of our infrastructure maintenance projects. As in line with our approach for all new investments, ESG risks and opportunities are comprehensively analysed for all maintenance projects and are further factored into the business plans for such projects.

Issues that are considered include, but are not limited to, energy management, water management, waste management, biodiversity protection and management, contamination and pollution control, noise pollution and control, health and safety, local labour and labour rights, and local community impacts.

Where appropriate, sustainable design and construction practices and opportunities for third party green building certifications and/or standards will also be considered for any new developments, refurbishments and maintenance projects.

<b>Stakeholder engagement</b>
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<b>INF 16</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>INF 16.1</b>	Indicate which stakeholders your organisation, and/or operators, engaged with on ESG issues in relation to your infrastructure assets during the reporting year and what proportion of your investments they apply to.
-----------------	--

Stakeholders engaged

Regulators

Percentage of infrastructure assets these apply to

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

(in terms of number of infrastructure assets)

Communities

Percentage of infrastructure assets these apply to

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

(in terms of number of infrastructure assets)

Other stakeholder, specify

Internal Colleagues

Percentage of infrastructure assets these apply to

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

(in terms of number of infrastructure assets)

Other stakeholder, specify

INF 16.2

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

BlackRock Real Assets engages with operators and regulators on a regular basis to ensure our assets are aligned with relevant best practice and legislative requirements at all times. In addition, our teams are actively engaged with the communities in which our assets are located. As part of our extensive Community Engagement Programmes, BlackRock conducts annual outreach efforts to ensure residents are benefiting from, and being educated on, our investments.

For example, BlackRock regularly hosts tours of our renewable energy assets, including wind farms, with local schools, colleges and community groups. BlackRock has also supported several local educational sessions on energy generation and renewable energy within the direct communities in which these assets are located.

## Outputs and outcomes

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

- We measure whether our approach to ESG issues impacts funds' financial performance
- We measure whether our approach to ESG issues impacts funds' ESG performance

Describe the impact on:	Impact
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

- None of the above

**INF 17.2** Describe how you are able to determine these outcomes.

Since the introduction of increasingly robust and comprehensive ESG risk analysis measures across all of our investment and due diligence processes, BlackRock has realised a greater transparency of ESG performance across all of our investments. ESG performance, risks and opportunities are comprehensively analysed for all new acquisitions and are further factored into our investment decision and business plan processes for holding, disposal and asset management strategies.

Such approaches have enabled greater asset-level ESG information to be collated from the acquisition processes, and have also helped provide greater information on ESG risks factors to our investment teams during due diligence. This, in turn, has contributed to a higher standard of assets being acquired into our portfolios, which has driven continual improvements in portfolio-wide ESG management and performance. Measured improvements have included portfolio-wide energy and water efficiency, improved waste management, improved biodiversity management and increased local community engagement and support.

Where possible, asset-level reporting of key ESG and Impact outcomes is undertaken on an asset-level basis and accrued to provide portfolio-wide performance metrics. BlackRock uses this data to inform the operational management of our assets and to identify where improved sustainability performance could be realised. This information is also provided to investors on a Quarterly basis within our Fund Quarterly Reports. Through the measurement and reporting of such metrics, BlackRock has also been able to determine improved ESG performance across our portfolios.

A range of ESG and Impact metrics are measured and reported across our infrastructure portfolios, including, but not limited to, energy consumption, water consumption, renewable energy generated, displaced greenhouse gas emissions, energy consumption mix, local community contributions and support, wildlife and biodiversity monitoring and client engagement on ESG management and performance.

INF 18	Voluntary	Public	Descriptive	PRI 1,3
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**INF 18.1** Provide examples of ESG issues that affected your infrastructure investments during the reporting year.

- Add Example 1



ESG issue	Biodiversity Impacts
Types of infrastructure affected	Renewable Energy
Impact (or potential impact) on investment	Local biodiversity, and the requirement to minimise any impact on biodiversity, is factored into the operation of all of our wind farms. This includes the requirement to curtail during certain periods and/or seasons to minimise any biodiversity impacts, which in turn impacts energy generation from the assets.
Activities undertaken to influence the investment and the outcomes	BlackRock commits to monitoring local biodiversity and the impacts our assets may have to ensure they are operated in a manner that does not cause any detrimental impacts. For example, bat and bird populations will be monitored over a 2-3 year period to determine any impacts and whether the wind farms should be curtailed at certain times or the day and/or year.

Add Example 2

ESG issue	Community Support and Engagement
Types of infrastructure affected	Renewable Energy
Impact (or potential impact) on investment	To ensure engagement with the local communities in which our assets are located, BlackRock develops local community programmes and support contributions for each of our assets.
Activities undertaken to influence the investment and the outcomes	For example, BlackRock regularly hosts tours of our renewable energy assets with local schools, colleges and community groups. BlackRock has also supported several local educational sessions on energy generation and renewable energy within the direct communities in which these assets are located.  Other community engagement and support programmes including the funding of local electric vehicle (EV) charge points and donations to local schools, community groups and charities.

Add Example 3

ESG issue	Local Labour
Types of infrastructure affected	Energy and Renewable Energy
Impact (or potential impact) on investment	The use of local labour is prioritised whenever possible when developing or undertaking major maintenance on any of our assets, to help support the local economies in which the assets are located.
Activities undertaken to influence the investment and the outcomes	BlackRock works with approved third-party asset managers and operational managers to help source and, if required, train local labour to work on the development and ongoing operational management of our assets. BlackRock will also work with local Unions and Authorities to ensure fair labour agreements are implemented.

Add Example 4

ESG issue	Local Education and Training
Types of infrastructure affected	Correctional Facility
Impact (or potential impact) on investment	A comprehensive programme of ESG initiatives is being implemented across Coahuila Correctional Facility in Northern Mexico. The programme is targeting measurable improvements in operational environmental performance and resource efficiency, as well as increased community engagement and educational certification options to all inmates. The programme has helped ease any social misunderstanding of the project and improved the reputational image of the Facility.
Activities undertaken to influence the investment and the outcomes	BlackRock partnered with local high school and college teachers to provide technical education for many of inmates within the Facility. To date, the Facility has issued 79 Elementary School Certificates, 25 Alphabetization Certificates and 44 High School Certificates through such training programmes.

Add Example 5

## Communication

INF 19	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 6
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**INF 19.1**

Describe your organisation's approach to disclosing ESG incidents in infrastructure investments to your investor clients.

BlackRock has not encountered any ESG incidents to date with any of our Infrastructure investments and, as such, there has not been a requirement to disclose such information to our investor clients. If any such incidents did occur, then BlackRock would take an immediate and proactive approach in informing our clients of the incident, the measurable impacts and outcomes of the incident, and the details of the management plans that have been developed and implemented to mitigate and resolve the incident. Formal updates would also follow within the relevant Quarterly Reports and Board meetings.

# BlackRock

## Reported Information

### Public version

### Assurance

## PRI disclaimer

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

## Assurance

CM1 01.1	Mandatory	Public	Core Assessed	General
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:
----------	---

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

CM1 01.2 & 01.8	Mandatory	Public	Descriptive	
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CM1 01.2	Do you plan to conduct third party assurance of this year's PRI Transparency report?
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- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM1 01.3 & 01.9	Mandatory	Public	Descriptive	General
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CM1 01.3	We undertook third party assurance on last year's PRI Transparency Report
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- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report, or we did not have such a report last year.

CM1 01.4, 10-12	Mandatory	Public	Descriptive	General
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CM1 01.4

We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 01.7

Mandatory

Public

Descriptive

General

CM1 01.7

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

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

BlackRock

Reported Information

Public version

Feedback and Submit

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## Feedback

## Contact details

CM2 04

Mandatory

Public

Descriptive

General

CM2 04.1

Provide a primary and secondary contact person.

Primary contact for this submission

First name	Verity
Last name	Chegar
Email address	verity.cheGAR@blackrock.com

Secondary contact for this submission [optional]

First name	Tariq
Last name	Fancy
Email address	tariq.fancy@blackrock.com

Data Portal contact 1

First name	Hope
Last name	Wilson
Email address	hope.wilson@blackrock.com

Data Portal contact 2



First name	Verity
Last name	Chegar
Email address	verity.cheGAR@blackrock.com

Below is our current list of contacts for your organisation. If you need to change anything, please complete your changes in the form below, then scroll down to the bottom of the form to the line "Do you wish to add more contacts", where you will see a "Submit" button to update this form.

After using "Submit" button, please click "Save & Next" to continue

Test

## Final review and submission

CM2 05	Mandatory	Public	Descriptive	General
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### CM2 05.1

Thank you for completing the PRI reporting framework. Click the links below to review how your reported information will be presented in two separate reports: the public RI Transparency Report (to be published on the PRI website) and the Private RI report (confidential, for internal review and use). If you have responded incorrectly to any indicators, please return to these indicators in the Online Reporting Tool and adjust accordingly

Download your reports:

Your private RI report (confidential)			
Your public RI Transparency report (to be published on the PRI website)			

### CM2 05.2

Indicate if you give PRI permission to publish your RI Transparency Report. Once your report is submitted, you will not be able to modify your responses and information you have marked as public will automatically be published on the PRI website

- I give the PRI permission to publish any information I have marked as public.