About this disclosure

BlackRock's 2021 Sustainability Disclosure ("Disclosure") is being provided for BlackRock, Inc. (together, with its subsidiaries, unless the context otherwise indicates, "BlackRock" or the "Company" or the "firm"). This Disclosure is comprised of two types of metrics:[1]

1) Reporting presented in accordance with the SASB Standard for Asset Management and Custody Activities; and
2) Reporting in accordance with select additional criteria defined by management ("Management Criteria").

Sustainability Accounting Standards Board ("SASB")

SASB is an independent non-profit organization that sets standards to guide the disclosure of sustainability information by companies to their investors. The SASB reporting standards are sector specific, covering environmental, social, and governance ("ESG") reporting criteria for 77 different industries. Each SASB Standard defines a minimum set of ESG-related topics that are reasonably likely to affect a company's long-term performance based on the industry it operates within. For BlackRock, the most relevant industry group is Asset Management & Custody Activities. In 2021, SASB and the Integrated Reporting Framework formalized their merger to become the Value Reporting Foundation. Moving forward, the International Financial Reporting Standards ("IFRS") Foundation, through the newly formed International Sustainability Standards Board ("ISSB") will consolidate the Climate Disclosure Standards Board and the Value Reporting Foundation in 2022. As such, while BlackRock's reporting in this document is performed in accordance with the SASB Standard version 2021-12. BlackRock supports the ISSB's efforts to develop a global baseline of sustainability reporting standards, on which different jurisdictions can build, to enable reliable and comparable corporate reporting about enterprise value. BlackRock will monitor the evolution of the global standards and may evolve its reporting to these new standards as they emerge.

Management Criteria and Stakeholder Assessment

In 2020, BlackRock conducted an assessment to hone its understanding of the ESG topics that matter most to its stakeholders. The assessment drew on research conducted and compiled in 2020 from a variety of sources including feedback from business groups, BlackRock's Employee Opinion Survey, shareholder engagement, external reports, and articles, ESG ratings questionnaires, and peer benchmarking. BlackRock defines its stakeholders to include clients, shareholders, employees, shareholders, and the communities in which BlackRock operates. BlackRock believes this assessment is still accurate and representative of what is most material to its stakeholders. While many of the topics most important to BlackRock's stakeholders were covered by third-party standards and recommendations – including SASB and the Task Force on Climate-related Financial Disclosures ("TCFD") – against which BlackRock was already reporting, several topics were not fully covered by either reporting standard. As a result, BlackRock has elected to supplement its SASB disclosures with additional metrics defined by Management ("Management Criteria"). Management criteria were informed by a number of frameworks including SASB Standards for sectors outside of the Asset Management and Custody Activities Standard and the United Nations Global Compact Communication on Progress ("CoP") advanced reporting requirements. A detailed index of the criteria used to prepare this report is included in the Notes section beginning on page 35.

ESG Topics identified by BlackRock's Stakeholders*

ESG Topic**	Disclosure Location[2]
Business Ethics & Conduct	Sustainability Disclosure
Sustainable Investing & Stewardship	Sustainability Disclosure, Stewardship Reports
Climate-Related Risks & Opportunities	TCFD Report
Employee Diversity, Equity & Inclusion ("DEI")	Sustainability Disclosure
Employee Health, Safety & Wellbeing	Sustainability Disclosure
Board Composition	Proxy Statement
Public Policy & Political Activities	Sustainability Disclosure
Human Rights	Sustainability Disclosure
Natural Capital-Related Risks & Opportunities	Sustainability Disclosure
Selling Practices & Product Labelling	Sustainability Disclosure
Supply Chain Management	Sustainability Disclosure
Community Relations & Social Impact	Sustainability Disclosure

* The inclusion of information contained in this Disclosure should not be construed as a characterization regarding the materiality or financial impact of that information. Please also see BlackRock's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other current and periodic reports with the SEC, accessible on the SEC's website at www.sec.gov and on BlackRock's website at https://ir.blackrock.com/.

**See Note 1 Basis of Presentation on page 35 for additional information on the disclosure criteria.

This disclosure is as of, and for the year ended, December 31, 2021. To the extent material updates have taken place between year-end 2021 and June 17, 2022, when this document was completed, those changes are specified.

UN Global Compact Communication on Progress

In 2020, BlackRock became a participant of the United Nations Global Compact ("UNGC"). As a participant of the UNGC, BlackRock is committed to supporting the Ten Principles of the UNGC, and the United Nations Sustainable Development Goals ("SDGs"). In 2021, BlackRock submitted its first Communication on Progress to describe its efforts to align its operations with universal principles on human rights, labor, environment, and anti-corruption, and its actions to advance societal goals, and achieved Global Compact Advanced level reporting. This year, as a part of its participation in the UNGC, BlackRock is submitting this Disclosure as its 2022 Communication on Progress.[3]

Management's Assertion

Management of BlackRock, Inc. is responsible for the completeness, accuracy, and validity of the disclosures included in this Disclosure as of, and for the year-ended December 31, 2021. Management is also responsible for the collection, quantification, and presentation of the information included in the Disclosure and for the selection or development of the criteria, which management believes provide an objective basis for measuring and reporting on the selected metrics.

Management of BlackRock, Inc. asserts that the specified metrics included in the Disclosure as of, and for the year ended December 31, 2021 are presented in accordance with the criteria set forth in Note 1: Basis of Presentation to the Disclosure on page 35.

Limited Assurance

BlackRock engaged Deloitte & Touche LLP ("Deloitte") to perform a review engagement on management's assertion related to specified metrics (included in the Description of Management Criteria in the Notes section on page 37) in this Disclosure as of, and for the year-ended December 31, 2021. Deloitte's review report for BlackRock's 2021 Sustainability disclosure is available on page 39.

Feedback from Stakeholders

As the sustainability landscape evolves, with new information and greater standardization, BlackRock will continue to refine and expand its disclosures. The firm looks forward to feedback from stakeholders. BlackRock encourages its stakeholders to provide feedback on this Disclosure by emailing invrel@blackrock.com.

Sustainable Investing & Stewardship

Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory

SASB FN-AC-410a.1

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

Dedicated Sustainable Investments[4]

BlackRock currently defines Dedicated Sustainable Investments as: (i) strategies with an explicit ESG objective which may include a targeted quantifiable ESG outcome ("Broad ESG"); (ii) strategies that capitalize on long-term transformative industry or societal trends through pursuit of specific E, S, or G themes ("Thematic"); (iii) strategies where investments are made with the intention to generate positive measurable social and environmental impact alongside financial return ("Impact") and; (iv) strategies that incorporate a package of sustainability screens ("Dedicated Screened"). BlackRock has designed an extensive platform encompassing index, active, and alternative strategies across asset classes to help clients meet their financial objectives and sustainability goals.

BlackRock offers over 300 sustainable funds covering the spectrum of sustainable solutions, as well as customized solutions to meet clients' objectives. As of December 31, 2021, BlackRock managed $509 billion across its Dedicated Sustainable Investing platform which is inclusive of funds and separate accounts. Dedicated Sustainable Investment strategies are categorized into the following product types: Dedicated Screened[5], Broad ESG, Thematic, and Impact.[6]

ESG Integrated Portfolios

BlackRock draws a clear distinction between Dedicated Sustainable Investments and ESG-integrated portfolios.[7] BlackRock's investment conviction is that ESG-integrated portfolios may provide better long-term risk-adjusted returns to investors and clients. As such, BlackRock's active investment platform has been ESG integrated, representing $3.37 trillion of BlackRock's assets under management ("AUM"). ESG-integrated portfolios are not considered a separate product category at BlackRock and do not necessarily have an ESG objective as part of their mandates. Therefore, ESG-integrated portfolios are not included in the Dedicated Sustainable Investments figures reported below. Additional information about ESG integration is provided under SASB FN-AC-410a.2.

Quantitative Metrics

Exhibit 1 provides the AUM in Dedicated Sustainable Investments and Screened Investments strategies. Screened Investments are products that BlackRock considers to sit alongside, but not within, its Dedicated Sustainable Investments, as they do not apply the comprehensive criteria of what BlackRock has developed for its Dedicated Screened funds. Dedicated Screens are included under Dedicated Sustainable Investments. BlackRock's clients may request portfolios that avoid exposure to certain companies or sectors that do not align with their views.

Exhibit 1: Dedicated Sustainable Investments and Screened Investments AUM Breakdown

Asset Class / Investment Style	Dedicated Sustainable Investments ($US billions) [a]		Screened Investments ($US billions) [b]	
	2021	YoY Change*	2021	YoY Change*
Active				
Equity	$35	▲+$23	$47	▲+$9
Fixed Income	31	▲ +5	177	▼ -1
Index and iShares ETFs				
Equity	220	▲+99	374	▲+68
Fixed Income	27	▲ +12	54	▼-11
Multi-Asset	14	▲ +11	28	▲ +12
Alternatives	9	▲ +2	7	▲ +3
Long-term	**336**	▲+152	**687**	▲+80
Cash Management	173	▲ +157	9	--
Total AUM	**$509**	▲+$309	**$696**	▲+$80

Data as of December 31, 2021.

* The year-over-year changes presented in this table were calculated by management using the December 31, 2021 data presented within this table and comparable data as of December 31, 2020.

a) BlackRock modified this category to refer to "Dedicated Sustainable Investments" from SASB's "Sustainability Themed Investing" to better reflect the types of investments included. These investments include: 1) strategies with an explicit ESG objective which may include a targeted quantifiable ESG outcome ("Broad ESG"); 2) strategies that capitalize on long- term transformative industry or societal trends through pursuit of specific E, S or G themes ("Thematic"); 3) strategies where investments are made with the intention to generate positive measurable social and environmental impact alongside financial return ("Impact") and; 4) strategies that incorporate a packag e of sustainability screens ("Dedicated Screened"). BlackRock's definition of impact investments is in line with the International Finance Corporation's Operating Principles for Impact Management.

b) Screened Investments are products that BlackRock considers to sit alongside, but not within, its Dedicated Sustainable Investments, as they do not apply the comprehensive criteria of what BlackRock has developed for its Dedicated Screened funds. In other words, these products may provide one or more screens but do not apply the full package of screens to qualify them as Dedicated Screened products under BlackRock's definition.

SASB FN-AC-410a.2

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

ESG Integration

BlackRock defines ESG integration as the practice of incorporating ESG information into the investment process with the objective of improving long-term financial outcomes of BlackRock's clients' portfolios. BlackRock does this in its active portfolios in both public and private markets. In index portfolios where the objective is to replicate a predetermined market benchmark, BlackRock engages with investee companies on ESG issues to enhance long-term value for its clients.

BlackRock's firm-level ESG Integration Statement details its firmwide efforts to integrate ESG information into investment processes. The ESG Integration Statement outlines the mechanisms that underpin BlackRock's approach. This ESG Integration Statement applies across BlackRock's investment divisions and investment teams and is reviewed at least annually to reflect changes within BlackRock's business. Given the breadth of the firm's investment platform, this ESG Integration Statement is written to cover the full spectrum of investment styles and asset classes at BlackRock.

In addition, each investment platform has produced a platform-level ESG Integration Statement that describes different implementations of the firm-wide approach.

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

Oversight & Accountability

At the portfolio level, BlackRock portfolio managers are accountable for appropriately managing exposure to ESG risks. Investment teams can develop views on the financial materiality of specific sustainability-related topics by considering external and proprietary ESG research from a variety of sources.

Investment platform leadership within BlackRock's investment divisions oversees and is accountable for ESG integration into the investment processes for each business. This includes determining appropriate methodologies for each underlying investment team and facilitating ESG integration into the investment processes and portfolio objectives for each respective business. Many investment teams have specialized sustainability-focused experts and/or units to help drive ESG integration and sustainable investment product development within the business.

In addition, BlackRock employs dedicated resources to support sustainable investing. The BlackRock Sustainable Investing team("BSI") and individuals across the technology and analytics platform work together to advance ESG research and tools that support ESG integration. BSI encourages consistency in consideration of ESG factors across investment processes, aggregates resources and shares best practices.

BlackRock's Risk and Quantitative Analysis Group ("RQA") is responsible for BlackRock's Enterprise Risk and Investment risk management framework which includes oversight of ESG-related investment risks. RQA conducts regular reviews with portfolio managers to ensure that investment decisions are taken in light of relevant investment risks, including sustainability-related risks, and that decisions exposing portfolios to ESG risks are deliberate and consistent with the investment objectives of BlackRock's clients' portfolios.

Furthermore, in January 2022, RQA formed a dedicated Sustainability Risk group to support the ongoing application of ESG considerations across investment and enterprise activities. The team will partner with risk managers and businesses to reinforce constructive engagement across BlackRock's investment platform, through dedicated ESG research and enhanced second line sustainability risk oversight processes.

BSI and RQA jointly report on ESG integration progress to the Global Executive Committee Investment Sub-Committee at least annually.

As described under FN-AC-410a.3, the BlackRock Investment Stewardship team ("BIS") engages with companies to promote corporate governance standards that the team believes contribute to companies' abilities to deliver the durable long-term profitability our clients depend on to meet their long-term financial goals.

Sustainable Investing Research

BSI maintains a dedicated sustainable investing research function, producing insights that inform firm investment processes. In addition, BlackRock's investment teams often have dedicated sustainability-focused experts and research teams. BSI develops proprietary views on specific sustainability-related topics by leveraging external data, as well as proprietary research, and delivers these insights via BlackRock Sustainable Investing Intelligence™, a proprietary investment framework, along with thematic research publications, custom analytics, advisory solutions, and innovative product development.

Sustainable Investing Technology

Aladdin® is BlackRock's end-to-end portfolio management software that combines sophisticated risk analytics with portfolio management, trading, and operations tools on a single, unified platform. In 2020, BlackRock launched an initiative to build new sustainability-focused capabilities within Aladdin. Aladdin Sustainability and Aladdin Sustainability Lab were formed with a vision to power the shift to sustainable investing by integrating sustainability data, analytics, and functionalities into investors' daily workflows to drive more informed investment and risk management.

This effort includes Aladdin Climate, a platform that seeks to help investors uncover investment risks and opportunities associated with both the physical impacts of a changing climate and the uncertain transition to a net zero world. Aladdin Climate provides scenario analysis capabilities, helping investors consider how climate-related risks and opportunities may evolve and their potential business implications under different physical and transition risk scenarios. Please see Risks, Opportunities & Scenario Analysis – Climate Scenario Analysis (page 24) within BlackRock's 2021 TCFD Report for a discussion of climate risk scenario analysis conducted by BlackRock.

In addition to Aladdin Climate, BlackRock has integrated more than 8,000 ESG-related data points into Aladdin from leading third-party ESG data providers. This integrated data provides users the ability to analyze the ESG profile of their portfolios and portfolio holdings, bringing in historical data and forward-looking impact analytics alongside more traditional risk metrics.

In addition to Aladdin's capabilities, BlackRock maintains sustainable investing technologies that cater to the unique needs of alternative market investors. eFront® is BlackRock's technology solution for alternative investment management, covering the needs of alternative investment professionals end-to-end. Investment professionals in alternative asset classes have a growing need to access ESG data to help identify risk and opportunities. In 2021, eFront launched ESG Outreach, an extension of BlackRock's eFront Insight platform, a leader in digitalizing private market data. ESG Outreach gathers and analyzes a standardized set of ESG data for the needs of the whole alternatives ecosystem and aims to provide a consistent ESG framework, aligned with existing regulatory and reporting initiatives.

"Climate Aware" Capital Markets Assumptions

The BlackRock Investment Institute provides investors with "climate-aware" capital market assumptions, which are long-term asset class estimates of risk and return that account for the impact of climate change and the net zero transition across asset classes. The climate-aware capital market assumptions are the core set of assumptions used by many BlackRock portfolio managers to construct strategic asset allocations.

SASB FN-AC-410a.3

Description of proxy voting and investee engagement policies and procedures

Investment Stewardship

As a fiduciary, clients depend on BlackRock to help them achieve their investment goals. These clients include public and private pension plans, governments, insurance companies, endowments, universities, charities, and ultimately individual investors, among others. The Blackrock Investment Stewardship team's ("BIS") purpose is to support companies in their efforts to create long term durable financial performance on behalf of BlackRock's clients. BIS serves as an important link between BlackRock's clients and the companies they invest in— and the trust BlackRock's clients place in us gives us a great responsibility to advocate on their behalf. The BIS team is responsible for engaging with companies in which BlackRock invests on behalf of clients, as well as voting proxies for those clients who have given us authority. We are interested in hearing from companies about their strategies for navigating the challenges and capturing the opportunities they face. As BlackRock is a long-term investor on behalf of our clients, the business and governance decisions that companies make will have a direct impact on BlackRock's clients' investment outcomes and financial well-being.

Consistent with our leadership position in the industry, BlackRock has invested to establish one of the industry's largest investment stewardship teams. BIS is organized regionally, reflecting the different regulatory requirements, corporate governance standards, and client expectations in different jurisdictions. In addition, there is global oversight of centralized BIS functions related to daily operations, research, policy, and communications. The team has grown steadily from 13 members in 2009 to nearly 70 members as of year-end 2021. Located across ten global offices, the team has global presence and local expertise across the 57 countries in which BIS engaged companies.

Exhibit 2*: 2022 BIS Engagement Priorities[8]

Engagement Priority	Key Performance Indicators (KPIs)
Board quality and effectiveness Quality leadership is essential to performance. Board composition, effectiveness, diversity, and accountability remain top priorities	**Board effectiveness** – A core component of BIS' work to advance our clients' financial interests is direct engagement with a board member, so that BIS can provide direct feedback from our perspective as a long-term shareholder. For those companies with which BIS wishes to engage to understand their board's role, BIS seeks dialogue with the most appropriate non-executive, and preferably independent, director(s) who has been identified by the company as having a responsibility to meet with shareholders. **Board quality** - BIS looks to companies to disclose their approach to ensuring meaningful board diversity and encourages the board to set out the self-identified demographic profiles of the directors in aggregate, consistent with local law, and how this aligns with the company's strategy and business model.
Strategy, purpose, and financial resilience A purpose driven long-term strategy, underpinned by sound capital management, supports financial resilience	In discussing their corporate strategy and financial resilience, BIS encourages companies to set out how they have integrated business relevant sustainability risks and opportunities. To aid investor understanding, companies can demonstrate in their disclosures how they are aligning their strategy with their purpose to address these risks and opportunities and create long-term value, evidenced by metrics relevant to their business model. BIS appreciates when companies disclose industry- or company-specific metrics to support their narrative on how they have considered key stakeholders' interests in their business decision-making.
Incentives aligned with value creation Appropriate incentives reward executives for delivering sustainable long-term value creation	BIS looks to companies to disclose incentives that are aligned with long-term value creation and sustained financial performance, underpinned by material and rigorous metrics that align with the company's long-term strategic goals.

Exhibit 2: 2022 BIS Engagement Priorities (cont'd from previous page)

Engagement Priority	Key Performance Indicators (KPIs)
 **Climate and natural capital** Business plans with targets to advance the transition to a low-carbon economy. Managing natural capital dependencies and impacts through sustainable business practices	**Climate** — BIS appreciates when companies discuss in their reporting how their business model is aligned to a scenario in which global warming is limited to well below 2°C, moving towards global net zero emissions by 2050. Companies help investors understand their approach when they provide disclosures aligned with the four pillars of the TCFD—including Scope 1 and 2 emissions, along with short-, medium-, and long-term science-based reduction targets, where available for their sector. **Natural Capital** — BIS looks to companies to disclose detailed information on their approach to managing material natural capital-related business risks and opportunities, including how their business models are consistent with the sustainable use and management of natural resources such as air, water, land, minerals, and forests.
 **Company impacts on people** Sustainable business practices create enduring value for key stakeholders – employees, customers, suppliers, and communities	BIS looks to companies to demonstrate a robust approach to human capital management and provide shareholders with the necessary information to understand how their approach aligns with their stated strategy and business model. BIS appreciates when companies disclose the actions they are taking to support a diverse and engaged workforce, and how that aligns with their strategy and business model. BIS looks to companies to discuss in their disclosures how the board oversees management's approach to due diligence and remediation of adverse impacts to people arising from their business practices.

The aforementioned Engagement Priorities were published in February 2022.

* Any information relating to forward-looking statements, goals, and progress against goals was not subject to Deloitte's review and, accordingly, Deloitte does not express a conclusion or any form of assurance on such information.

BIS Global Principles

BIS' approach to corporate governance and stewardship is outlined in its Global Principles. The Global Principles describe BIS' stewardship philosophy and views on corporate governance and resilient business models that may support long-term value creation by companies. The Global Principles[9] cover seven key themes: (i) boards and directors; (ii) auditors and audit-related issues; (iii) capital structure, mergers, asset sales, and other special transactions; (iv) compensation and benefits; (v) environmental and social issues; (vi) general corporate governance matters and shareholder protections; and (vii) shareholder proposals. Regional and market-specific voting guidelines explain how the Global Principles inform voting decisions in relation to specific ballot items for shareholder meetings, taking into consideration local market standards and norms.

Voting choice

Over the past five decades, innovation and regulatory support have led to a greater choice and democratization in investing strategies, structures, and products. Greater choice now extends to shareholder proxy voting. Many investors are looking to exercise greater control over their voting for the companies in their index equity portfolios, and technology has made this more easily available.

BlackRock Voting Choice introduced more voting options for institutional clients invested in certain pooled funds while also making voting easier for institutional clients invested in separately managed accounts, who have long had this option. The ease of use, implementation, and accessibility by providing greater choice for investors in separate accounts and certain pooled vehicles to vote their shares has been met with great interest by our clients. BlackRock Voting Choice currently allows these investors to vote their shares in line with their preferences via four main options, which includes the opportunity to continue to authorize BlackRock's stewardship team to vote on their behalf.

BlackRock Voting Choice is seen as a natural extension of our efforts to bring greater choice to our clients and to empower them with greater options and ease around how they want to engage with their money. For further information on BlackRock Voting Choice, please see BIS' latest paper, 'It's All About Choice', under this disclosure's Additional Resources on page 40.

Approach to Engagement

Engagement is core to BIS' efforts, enabling the team's analysts to improve their understanding of the business risks and opportunities that are material to the companies in which our clients invest, including those related to ESG matters. Engagement also informs BIS' voting decisions. As long-term investors on behalf of clients, BIS seeks to have regular and continuing dialogue with executives and board directors to advance sound governance, as well as to understand the effectiveness of the company's management and oversight of material issues.

BIS reviews and refreshes the team's engagement priorities each year. BIS' engagement priorities provide clients with insight into how BIS is conducting engagement and voting activities on key governance and sustainability issues BIS believes are critical drivers of a company's ability to deliver durable, long-term financial returns on their behalf. Some issues have long been core components of BIS' work.

Exhibit 3: BIS Engagement Priorities – Alignment with Sustainable Development Goals*

Sustainable Development Goals

BIS Engagement Priorities	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Board quality and effectiveness					●					●						●	
Climate and natural capital						●	●	●	●			●	●	●	●		●
Strategy, purpose, and financial resilience								●	●			●	●				●
Incentives aligned with value creation								●									
Company impacts on people	●		●	●	●	●		●		●	●		●			●	

1 No Poverty
2 Zero Hunger
3 Good Health & Well-Being
4 Quality Education
5 Gender Equality
6 Clean Water & Sanitation
7 Affordable & Clean Energy
8 Decent Work & Economic Growth
9 Industry, Innovation, & Infrastructure
10 Reduced Inequalities
11 Sustainable Cities & Communities
12 Responsible Consumption & Production
13 Climate Action
14 Life Below Water
15 Life on Land
16 Peace, Justice, & Strong Institutions
17 Partnerships for the Goals

* The aforementioned BIS Engagement Priorities - Alignment with SDGs were published in February 2022.

Others have become priorities more recently, driven by BIS' observations of emerging risks and opportunities for companies, market developments, and changing client and societal expectations.

Many of the topics that BIS discusses with companies intersect with aspects of the SDGs in which the private sector has a role to play. Exhibit 3 shows how BIS' engagement priorities align with the SDGs, where relevant to a company's governance and business practices.

Approach to Proxy Voting

BIS votes on behalf of those clients who have given BlackRock authority to do so. When exercising clients' voting rights, BIS votes in accordance with its published voting guidelines for the relevant market, which are applied on a case-by-case basis. BIS updates the regional voting guidelines annually to reflect changes in market standards and to help companies understand the team's views on emerging corporate governance issues.

As a long-term investor, we generally support companies when our engagement affirms that they are taking appropriate steps to address shareholders' concerns. However, when concerns persist despite ongoing engagement, or a company's actions do not seem aligned with long-term value creation, we may signal our concerns in our voting on behalf of clients.

Approach to Shareholder Proposals

In many markets in which BlackRock invests on behalf of clients, shareholders have the right to submit proposals to be voted on by shareholders at a company's annual or extraordinary meeting, as long as eligibility and procedural requirements are met. The matters put forward by shareholders address a wide range of topics, including governance reforms, capital management, and improvements in the management or disclosure of environmental and social risks. In 2021 BIS voted on more than 164,000[10] total proposals; 829 of those were shareholder proposals,[11] representing less than 1% of total proposals.

BlackRock does not submit shareholder proposals, but we still can vote on shareholder proposals put forth by others. BlackRock complies with requirements under various laws and regulations that limit how BlackRock can interact with the companies in which it invests on behalf of its clients. As with all voting, when assessing how to vote on shareholder proposals, BIS evaluates each proposal on its merit, taking a case-by-case approach with a singular focus on its implications for long-term value creation. More information on our approach is in our Global Principles. An example of how BIS applies a case-by-case approach is explained in the commentary "2022 Climate-related shareholder proposals more prescriptive than 2021".

Approach to Environmental Risks & Opportunities

As an asset manager, BlackRock's approach to climate risk and opportunities and the global energy transition is based on our fundamental role as a fiduciary to our clients. As the world works towards a transition to a low-carbon economy, BIS is interested in hearing from companies about their strategies and plans for responding to the challenges and capturing the opportunities this transition creates. As BlackRock is a long-term investor on behalf of our clients, how well companies navigate and adapt through the transition will have a direct impact on our clients' investment outcomes and financial well-being.

In this context, BIS seeks to understand companies' plans for how they intend to deliver long-term financial performance through the energy transition, consistent with their business model, sector, and geography. BIS looks for companies to demonstrate they have strategies in place that address and are resilient to a range of scenarios, including likely decarbonization pathways well below 2°C, as well as global ambitions to limit temperature rise to 1.5°C.[12] BIS also encourages companies to disclose how considerations related to having a reliable energy supply and just transition affect their plans. For information about BIS' engagements with companies and approach to climate risk, please see BIS' commentary: "Climate Risk and the Global Energy Transition". For information regarding BIS' approach to engagement on natural capital, please see BIS' commentary: "Our Approach to Engagement on Natural Capital." Please also see the response provided under Management Criteria 6.

Approach to Human Capital Management

BIS views Human Capital Management ("HCM") as both a board and a management issue. In BIS' experience, companies that build strong relationships with their stakeholders – including their workforce – are more likely to meet their own strategic objectives, while poor relationships may create adverse impacts that could expose companies to legal, regulatory, operational, and reputational risks, and jeopardize their license to operate. This is why BIS encourages companies to report on how they consider the interests of their workforce in business decision-making. For information about BIS' engagements with companies and approach to human capital management, please see BIS' commentary: "Our Approach to Engagement on Human Capital Management".

Approach to Human Rights

BIS engages with companies to understand how they are monitoring and managing their impacts on people, including human rights-related risks. For information about BIS' approach to engagement with companies on their human rights impacts, please see BIS' commentary: "Our Approach to Engagement with Companies on their Human Rights Impacts". Please also see the discussion under Management Criteria 4 for information about BIS' approach to human rights-related risks.

Commitment to Transparency

BIS is committed to providing transparency into its stewardship activities on behalf of clients. Since January 2020, BlackRock has enhanced existing disclosures and initiated others, including, vote bulletins covering BIS' voting rationale on key proposals at specific meetings that may be of particular interest to clients, annual and mid-year thematic reports and position papers explaining BIS' approach to engagement with companies on governance and sustainability issues. BIS also makes company-specific engagement activity available quarterly, along with its voting record.

Quantitative Metrics

Exhibit 4 provides quantitative information about BIS' engagement and voting activities for the year ended December 31, 2021.

Exhibit 4: Quantitative Metrics Related to BlackRock Investment Stewardship Activities

BIS Engagement Statistics

Indicator	Quantitative Metric [a]
BIS Team Size [b]	69
Total Engagements [c]	3,642
Unique Companies Engaged [c]	2,354
Countries inwhich BIS engaged companies	57

BIS Voting Statistics

Indicator	Quantitative Metric [a]
Meetings Voted	17,212
Proposals Voted [d]	164,074
% of Meetings where BIS did not support one or more management recommendations [e]	43%
% of Proposals where BIS did not support management's recommendation [e]	12%

a Reflects data between January 1, 2021 – December 31, 2021, except when otherwise noted.
b. As of December 31, 2021.
c. BlackRock counts only direct interaction as an engagement. BIS also writes letters to raise companies' awareness of thematic issues on which the team is focused or changes in policy, but this outreach is considered distinct from engagement as it is difficult to monitor the effectiveness of letter writing without direct interaction with any given company.
d. Includes all proposals filed in Japan.
e. Votes to not support managements' recommendation includes votes in support of shareholder proposals, abstentions and votes withheld. Calculation includes all proposals filed in Japan.

Natural Capital & Biodiversity

Natural Capital & Biodiversity

Management Criteria 6

Description of approach to incorporation of ecological impacts in investment processes and strategies

As a financial services company, BlackRock's physical operations, which are located in cities around the globe, generally do not have a material impact on ecosystems or indigenous communities. Nonetheless, BlackRock makes investments on behalf of clients in equities, bonds, and alternative assets that may be subject to risks associated with, or that arise from negative ecological impacts. As different asset classes present different risks and opportunities, BlackRock approaches these issues by considering ecological impacts through its investment stewardship function, its integration of ESG factors into investment processes, its philanthropy efforts, and its operations.

Investment Stewardship

A discussion of BlackRock's approach to investment stewardship is provided under FN-AC-410a.3. BIS engages on material business risks and opportunities. For companies whose business models have material dependencies or impacts on natural capital, the management of these factors can be a determinant of their ability to generate sustainable, long-term financial returns for shareholders, like BlackRock's clients.[22] Natural capital encompasses the supply of the world's natural resources from which economic value and benefits can be derived — such as forests, oceans, and fresh water — and the biodiversity that supports these ecosystems.[23] Given the growing pressures on the natural ecosystems from which many companies derive economic benefits, businesses will increasingly face financial risks and opportunities associated with their impacts and dependencies on natural capital. As a result, BIS views the careful management of natural capital as a core component of a resilient long-term corporate strategy for companies that rely on the benefits that nature provides.

While recognizing that natural capital is a complex issue and ecosystems are interconnected, for the purposes of BIS' work, the team focuses on three key areas — biodiversity, deforestation, and water — which BIS believes can impact the long-term financial returns of certain companies. BIS looks to companies to disclose how they have adopted or plan to incorporate business practices consistent with the sustainable use and management of natural capital, including resources such as clean air, water, land, minerals, and forests. BIS is also interested to hear from companies how they contribute to biodiversity and ecosystem health and consider their broader impact on the communities in which they operate. The following case studies illustrate BIS' engagement and voting related to natural capital matters in 2021.

- At Bunge Limited's May 2021 AGM, BIS supported a shareholder proposal requesting the company "issue a report assessing if and how it could increase the scale, pace, and rigor of its efforts to eliminate native vegetation conversion in its soy supply chain."[24] The company recommended that shareholders support this proposal and BIS agreed that the proposal may accelerate the company's progress on managing biodiversity loss and deforestation in its operations and supply chain.
- During 2021, BIS increasingly engaged on plastic pollution. BIS believes company valuations can be influenced by risks associated with a company not adequately addressing the sourcing and use of plastic products in their operations. At the Kroger Co. June 2021 AGM, BIS supported a shareholder proposal requesting that the company issue a report on its use of plastic packaging, as well as the company's strategies or goals to reduce plastic packaging and impacts. While acknowledging the efforts the company had made to address its exposure to natural capital-related risks, specifically in connection to the packaging of its "Our Brands" products, BIS ultimately agreed with the proposal's intent to address the material business risk of plastic packaging and determined that support for it could accelerate the company's progress on this issue.[25]

ESG Integration & Risk Management

As part of BlackRock's ESG integration approach for actively managed strategies investing in the public markets, BlackRock's investment teams may consider natural capital-related risks where financially material, where data is available, and where relevant to the given strategy and investment style. For example, one component of BlackRock's asset management business where natural capital risks may arise in the course of ESG integration is in BlackRock's Alternative Investments business ("BAI"). BAI takes a proactive approach to identifying, analyzing, and documenting applicable ESG factors – from initial deal sourcing and screening, through detailed due diligence and investment committee review and approval. Within the BAI Real Assets team, where BlackRock invests in real estate and infrastructure on behalf of clients, this may include a detailed review of environmental factors, including those relating to environmental protection, pollution prevention and the conservation of local habitats and biodiversity. Environmental risk assessments are undertaken for new investments in real assets. Where appropriate, BAI partners with specialist environmental and ecological consultants to undertake such reviews. For greenfield projects, or those comprising new construction and major development, environmental considerations are factored into the design process and project planning and are regularly monitored throughout the duration of the construction activity.

Please see FN-AC-410a.2 for more information on ESG integration.

Investment teams that have greater potential exposure to ecological impacts consider these issues as part of their research and portfolio management process. For example, the BAI Real Assets team considers natural capital and risk exposure during asset review and due diligence whereas fundamental investors, who are reliant upon company disclosures, are exploring a range of new data capabilities to help identify potential risks. In public markets, portfolio managers focused on exposure to natural-capital related risks are testing new third-party data sets and tools to better understand risk exposure, and where material may bring this issue into engagement conversations with companies.

Partnerships & Philanthropy

BlackRock seeks to make positive contributions to its local communities and to the planet by sponsoring and participating in a variety of environmental conservation efforts including:

- Through a partnership driven by the firm's employee-led Green Team Network, BlackRock supports Earthwatch Europe, an environmental charity, which plants "tiny forests" in urban areas across the UK to help capture carbon emissions, increase biodiversity, and contribute to a more climate resilient society.
- BlackRock collaborates with organizations to bring greater awareness and support action on climate and natural capital-related efforts. BlackRock is also one of the early signatories to the Terra Carta, unveiled at the One Planet Summit in January 2021.
- BlackRock Social Impact efforts support a number of environment-focused entrepreneurs through its partnership with social entrepreneurship accelerator Echoing Green. In 2021, BlackRock engaged in both long-term (7-week) and short-term (90-minute) projects where employees were paired with a climate-focused Echoing Green Fellow to tackle a strategic challenge.
- Additionally, in September 2021 BlackRock became a member of the Taskforce on Nature-related Financial Disclosures ("TNFD") with the goal of supporting the initiative with global, cross-sector expertise. The TNFD was launched to develop a framework for organizations to report and act on evolving nature-related risks, and build on the success of the Task Force on Climate-related Financial Disclosures.

Corporate Operations

In its operations, BlackRock pursues a sustainability strategy that seeks to decouple company growth from its impact on the environment, while increasing the efficiency and resiliency of its operations. BlackRock is finding innovative ways to power its business with renewable energy, lower its emissions, and reduce waste, among other efforts, to reduce its environmental impact.

Through its global Green Team Network, BlackRock employees have also augmented these efforts. Until the COVID-19 pandemic prevented group volunteering, employees globally were partnering with local nonprofits to plant trees in a variety of areas, including those affected by wildfires in California and Australia.

Additionally, BlackRock formalized an environmental policy for BlackRock's operations, outlining new standards that are consistent with ISO 14001:2015 Environmental Management System protocols in 2021. The policy defines the roles and responsibilities of the firm, specific teams and each employee plays in seeking to reduce the impact BlackRock's facilities and their operations have on the environment.