

## About the portfolio manager

Assets under management	USD 9'007 bn, USD 200 bn in dedicated sustainable assets
Number of inv. profess.	2'342
Number of inv. profess. dedicated to ESG	39
Participation in shareholder meetings	Voting but no participation
ESG rating	n/a
ESG consultant	No, taking into account analysis by ISS and Glass Lewis

### External data sources (selection)

- Sustainalytics
- MSCI
- Bloomberg
- RepRisk
- ISS-ethix
- Refinitiv

## Memberships

Signatory to UNPRI	Yes
UNPRI rating	A (median)
Others (selection)	
• Global Real Estate Sustainability Benchmark (GRESB)	• Global Impact Invest. Network (GIIN)
• CDP (former Carbon Disclosure Project)	• Climate Bonds Initiative (CBI)
• International Corp. Gov. Network (ICGN)	• The Task Force on Climate-related Financial Disclosures (TCFD)
• Sustainability Account. Standards Board (SASB)	• Inst. Investors Group on Climate Change (IIGCC)
• Business for Social Responsibility (BSR)	• Climate Action 100+

## Voting activity

Exercise of voting rights	Active; at more than 16'000 General Meetings
ESG consultant	Internal team, additional use of analysis by ISS and Glass Lewis
Voting report	Yes, quarterly and yearly reports

### Additional information

<https://www.blackrock.com/corporate/literature/publication/blk-annual-stewardship-report-2020-calendar-year.pdf>

## Decision making process for exclusion decisions

In 2020, BlackRock exited its active public debt and equity investment in businesses generating greater than 25% of their revenue from thermal coal production due to the heightened risks associated with their economic activity. We recognize that clients are increasingly using exclusionary screens to avoid exposure to certain companies or sectors that pose reputational risks or violate the end investor's values.

In order to build scalable solutions across asset classes, we have developed a set of baseline screens that address a majority of our clients' requests for exclusions. In EMEA, we developed baseline screens in 2018 as a response to client demand for avoiding exposure to controversial weapons, nuclear weapons, fossil fuels, civilian firearms, tobacco and UN Global Compact violators. We incorporate these baseline screens in funds on the sustainable product platform and new active funds, where the exclusionary screens do not interfere with pursuit of the funds' investment objectives.

In 2019, we introduced a set of baseline screens for Global (ex EMEA) sustainable funds that avoids controversial weapons, fossil fuels, civilian firearms producers and tobacco producers. We aim for the screens to be applied to all sustainable funds, unless there are compelling reasons not to.

## Consultant for investment guidelines and exclusion criteria

We do not actively use an ESG consultant for investment guidelines and exclusion decisions. The BlackRock Sustainable Investing team houses a dedicated ESG research function, which seeks to produce specific insights from ESG materiality to portfolio implementation methodologies to share across our investment teams and further drive our ESG integration efforts to enhance risk-adjusted return.

## Decision making process for exercising voting rights

BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team, which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") – located in seven offices around the world. The relevant analysts with each team will generally determine how to vote at the meetings of the companies they cover. They may seek input from other team members, senior BlackRock Investment Stewardship leaders, and/or portfolio managers. The global head of stewardship is responsible for all voting activities within the governance framework set out below.

BlackRock Investment Stewardship is strategically positioned as an investment function and bridges BlackRock's various portfolio management groups. It helps to and enhance the value of our clients' assets across the full range of mandates that includes alpha-seeking, factor, indexing, and sustainability strategies. The team confers regularly with BlackRock's equity and credit analysts and portfolio managers to share insights on material ESG topics relevant to investment decisions.

The team maintains three regional advisory committees ("Stewardship Advisory Committees") for the Americas, APAC, and EMEA which review and advise on amendments to the proxy voting guidelines covering markets within each respective region.

## Engagement

Engagement	Yes
Consultant	Internal, specialised Investment Stewardship Team with more than 60 specialists

### Additional information

<https://www.blackrock.com/corporate/literature/publication/blk-profile-of-blackrock-investment-stewardship-team-work.pdf>

## ESG consultant for engagement activities

The internal BlackRock Investment Stewardship team engages companies to provide feedback on their practices and inform our voting. We focus on a range of issues that fall within each of the environmental, social and governance (ESG) categories where we assess there is potential for material long-term financial impact on a company's performance. We engage with companies held in index and active portfolios alike to encourage them to adopt the robust business practices consistent with sustainable long-term performance. We conduct approximately 3'500 engagements a year on a range of ESG issues likely to impact our client's long-term economic interests. We meet with executives and board directors, communicate with the company's advisors, and engage with other shareholders where appropriate.

## IST portfolio

### Portfolio overview

ESG rating	No
Application of an exclusion list	Yes, provided by IST

## Incorporation of ESG factors into the investment process

When evaluating infrastructure investments, potential ESG factors and risks that may have material economic consequences throughout the investment life-cycle are considered by the investment management team, and such issues are also considered within the wider investment strategies. ESG performance, risks and opportunities are comprehensively analysed for all new acquisitions and are further factored into our investment decisions. Issues that are considered include, but are not limited to, energy efficiency and supply, water efficiency and supply, waste management, biodiversity, flood risk, contaminated land, climate risks, health and safety and local community impacts.

## Identification of companies excluded

The BlackRock Infrastructure Debt team does not implement a bespoke exclusion list for the portfolio, other than in respect of exclusions specifically identified in the IMA / investment guidelines. The investment team will assess each potential investment on a case-by-case basis including appropriate ESG considerations. As per the IST3 signed IMA, the only expressly prohibited investments are investments in nuclear energy, prisons or military facilities.