



LEA 02	Disclosures	Monetary	Principles
<p>By providing investors the most up-to-date and comprehensive information for use in their investment decisions, we are committed to transparency. We will disclose the following information:</p> <p>1. The nature and extent of our engagement activities, including the number of companies engaged, the number of issues raised, and the number of resolutions achieved.</p> <p>2. The outcomes of our engagement activities, including the number of resolutions achieved, the number of companies that have improved their ESG practices, and the number of companies that have been divested.</p> <p>3. The impact of our engagement activities on our investment performance, including the number of companies that have improved their ESG practices, the number of companies that have been divested, and the number of companies that have been added to our portfolio.</p>	<p>LEA 02</p>	<p>Monetary</p>	<p>Principles</p> <p>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><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's material ESG areas</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input checked="" type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p> <p><input type="checkbox"/> To support investment decision-making in &amp; company's material ESG areas</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p> <p><input type="checkbox"/> To support investment decision-making in &amp; company's material ESG areas</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in service provider engagements</p> <p><input type="checkbox"/> To support investment decision-making in &amp; company's material ESG areas</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p>		

# RI TRANSPARENCY REPORT

2014/15

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 2014-15 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 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	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	-	n/a							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	-	n/a	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	-	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	-	n/a							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Private	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Private	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	-	n/a	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	✓	Private	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	-	n/a	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

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	✓	Private		✓					
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 engagement activities	✓	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	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	-	n/a		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	-	n/a		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

# 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

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

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

Other, specify

Execution and advisory services

OO 01.2

Additional information. [Optional]

BlackRock is a premier provider of asset management, risk management, and advisory services to institutional, intermediary, and individual clients worldwide. As 30 June 2014, the firm managed approximately US\$4.59 trillion across asset classes in separate accounts, mutual funds, other pooled investment vehicles, and the iShares® exchange-traded funds.

Through BlackRock Solutions®, the firm offers risk management and advisory services that combine capital markets expertise with proprietary-developed analytics, systems, and technology. BlackRock Solutions currently provides risk management and enterprise investment services for over US\$15 trillion in assets.

BlackRock offers a full range of fixed income, cash management, equity and alternative investment products with strong representation in both institutional and retail channels. The range of product offerings enable our clients to benefit from the pooled expertise of all of the firm's resources, including our investment and risk management professionals, and our highly sophisticated, integrated, proprietary analytical tools. We maintain a firmwide focus on investment excellence through the pursuit of alpha and efficient beta.

Since our founding, BlackRock's core philosophy has been grounded in the belief that our clients' needs are of paramount importance and our sole business is managing our clients' assets on their behalf.

With this as a framework, BlackRock has assembled teams of investment professionals with significant expertise in global capital markets. Through BlackRock Solutions, we continue to invest substantial resources in the ongoing development of our technology and analytic capabilities, for both internal users and BlackRock Solutions' clients. Our focus on investment excellence and advanced analytics is complemented by an unwavering, senior-level commitment to service; this results in dynamic client relationships and enables us to assist clients with a range of services, including an understanding of liabilities and asset allocation needs.

BlackRock is organised in a highly functional, horizontal structure with a strong "One BlackRock" culture, which emphasises partnership across functions, communication, transparency, consistent standards and teamwork. Our structure also has a regional overlay in recognition of the global and geography-specific needs of clients as well as the importance of local regulatory structures. BlackRock's structure is designed to achieve three essential goals:

- ensure that strong and consistent investment performance remains our overriding priority and that we are best organised to capture opportunities given the changing investing landscape;
- deliver BlackRock's breadth of capabilities to clients by closely coupling our client businesses with the firm's analytics and advisory skills; and
- fully leverage the firm's talent in leadership roles where they can have the greatest impact on investment performance and our clients.



OO 02	Mandatory	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

ove 11,000 (as at 30 June 2014)

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

BlackRock is a truly global firm that combines the benefits of worldwide reach with local service and relationships. With 29 primary investment centres, we have a deep presence in every major capital market in the world, which gives us greater insight into increasingly interconnected financial markets. We believe investment insights gained at the local level and shared globally maximises investment opportunities for our clients.

Headquartered in New York, BlackRock operates in 30 countries and 70 cities across the Americas, Europe, Asia-Pacific, and the Middle East. In addition to our investment centres, BlackRock maintains regional marketing and client service offices worldwide.

OO 03	Mandatory	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	Gateway/Peering	General
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**OO 04.1** Indicate the year end date for your reporting year.

30/06/2014

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

	trillions	billions	millions	thousands	hundreds
Total AUM	4	593	610	000	000
Currency	USD				
Assets in USD	4	593	610	000	000

**OO 04.5** Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

**OO 06**

**Mandatory**

**Descriptive**

**General**

**OO 06.1**

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown
- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	>50%	0
Fixed income – corporate	<10%	0
Fixed income – government	<10%	0
Fixed income – other	10-50%	0
Private debt	0	0
Private equity	0	0
Property	<10%	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	<10%	0
Forestry	0	0
Farmland	0	0

Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	<10%	0
Other (2), specify	<10%	0

'Other (1)' specified

Multi-Asset

'Other (2)' specified

Advisory and Alternatives

Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

### Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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**OO 10.1** Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

OO 11	Mandatory	Gateway	General
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**OO 11.1** Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)
- None of the above

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

Multi-Asset

'Other (2)' [as defined in OO 05]

Advisory and Alternatives

OO 12	Mandatory	Gateway	General
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**OO 12.1** The modules and sections that you will be required to complete are listed below.

*This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.*

**Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

**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 - Corporate

**Closing module**

- Closing module

# BlackRock

## Reported Information

### Public version

### Overarching Approach

## PRI disclaimer

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1	Indicate if you have a responsible investment policy.
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- Yes  
 No

OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.
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- Yes  
 No

OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]
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The overriding purpose of our responsible investment policy is to protect and enhance the economic interests of our clients.

Where no client-specific policy restrictions are mandated, BlackRock has its own principles which govern the manner in which socially responsible investment and corporate governance issues should be addressed. These issues are more frequently raised once invested, than used as an investment screen.

- As a fiduciary investor, our primary duty is to act in our clients' best interests.
- As a long-term investor, with significant investment in index-tracking strategies, we are patient and persistent in working with our portfolio companies to build trust and develop mutual understanding.
- As a large investor, we are able-and feel a responsibility-to monitor the companies in which we invest and to engage with them constructively and privately where we believe that would help protect shareholders' interests.
- We do not try to micro-manage companies; we present our views as a long-term shareholder and listen to companies' responses.
- We see environmental and social issues as corporate governance issues, integral to successful company management.
- We promote best practices in corporate governance because we believe that practitioner-led solutions are generally more effective than regulatory ones.
- We do not discuss company engagements publicly because you do not need to make headlines to protect shareholder value.
- We may vote against management when we judge that direct engagement has failed.
- Our corporate governance programme is an investment function because it is focused on company leadership and management, not compliance.
- We work closely with fundamental portfolio managers, acting as a clearinghouse across BlackRock's investment teams, with the intention to present a consistent message to companies about governance.

We operate within the regulations of the markets in which we are investing. To that end, we do not invest in those markets on the sanctions list of the Office of Foreign Assets Control.

OA 02	Mandatory	Core Assessed	PRI 6
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**OA 02.1** Indicate if your responsible investment policy is publicly available.

Yes

**OA 02.2** Provide a URL to your responsible investment policy.

URL

<http://www.blackrock.com/corporate/en-gb/about-us/responsible-investment/>

No

**OA 02.3** Indicate if your other policies or guidance documents related to responsible investment are publicly available.

Yes

Yes, all

Yes, some

**OA 02.4** List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Voting Records	<a href="http://www.blackrock.com/corporate/en-gb/about-us/responsible-investment/responsible-investment-reports">http://www.blackrock.com/corporate/en-gb/about-us/responsible-investment/responsible-investment-reports</a>
Corporate Governance and Engagement Principles	<a href="http://www.blackrock.com/corporate/en-gb/about-us/responsible-investment/responsible-investment-reports">http://www.blackrock.com/corporate/en-gb/about-us/responsible-investment/responsible-investment-reports</a>
Annual Review	<a href="http://www.blackrock.com/corporate/en-gb/about-us/responsible-investment/responsible-investment-reports">http://www.blackrock.com/corporate/en-gb/about-us/responsible-investment/responsible-investment-reports</a>
Quarterly Commentaries	<a href="http://www.blackrock.com/corporate/en-gb/about-us/responsible-investment/commentaries">http://www.blackrock.com/corporate/en-gb/about-us/responsible-investment/commentaries</a>

No

**OA 03**

**Mandatory**

**Core Assessed**

**PRI 1,2**

**OA 03.1** Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<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

**OA 03.2** Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]

At BlackRock we frame our corporate governance programme, including the treatment of social, ethical and environmental issues, within an investment context. We believe that a sound corporate governance framework promotes strong leadership by boards of directors and good management practices, contributing to the long-term success of companies and better risk-adjusted returns to our clients.

We recognise that corporate governance practices and expectations differ around the world. Even so, there are high-level corporate governance principles that we believe apply universally: transparency and accountability to those who provide capital; oversight by a well-informed, experienced board; robust accounting and risk management systems; and sound policies on business management issues such as employee and supplier relations, environmental impacts and compliance with regulations. All these are germane to the way we assess the value of any investment proposition.

Our Corporate Governance and Responsible Investment (CGRI) team develops and applies our ESG framework. The team is structured to be local but coordinate globally. The corporate governance programme led by the CGRI team is integrated within all portfolios investing in public companies, whether clients invest in specialist socially responsible investment products or in our core index and active investment strategies. The CGRI team acts as a central clearinghouse of BlackRock's views across the various portfolios with holdings in individual companies and aims to present a clear and consistent message.

OA 04	Mandatory	Core Assessed	General
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**OA 04.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**OA 04.2** Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

BlackRock is an independent asset manager, and as such, we have full independence from brokers and custodians and other third parties within the investment management community. We receive no direct compensation from these parties; our revenues are fully based upon the fiduciary investment and risk management activities that we undertake on behalf of our clients.

More generally, as is the case with many large investment managers, side-by-side management of different types of investment vehicles raises potential conflicts of interest, such as those associated with differences in fee structures. The prospect of achieving higher compensation from a higher-fee investment vehicle may provide an investment manager with an incentive to favour recommending such vehicle to clients. In order to



negate a potential conflict of interest, BlackRock has designed strict policies and procedures that seek to ensure investment decisions are made without consideration of BlackRock's interests but, instead, in accordance with BlackRock's fiduciary duty to its client accounts. BlackRock also undertakes review of mandates with similar strategies to ensure that over time no one client or group of clients has benefitted or be denied investment opportunities.

BlackRock maintains a Code of Business Conduct and Ethics, which requires that employees disclose any actual or potential conflicts of interest upon becoming aware of the conflict or potential conflict. The Code broadly states as follows: "A conflict of interest arises when a person's private interest interferes, or even appears to interfere, in some way with the interests of the Company. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively."

BlackRock holds itself to a very high standard in its corporate governance activities, including in relation to executing proxy votes. The Global Corporate Governance Group reports in to the equity business and is considered an investment function. BlackRock maintains regional oversight committees ("corporate governance committees") for the Americas, Europe, Asia ex-Japan, Japan, and Australia/New Zealand, consisting of senior BlackRock investment professionals. All the regional committees report up to the Global Corporate Governance Committee which is composed of the Chair and Vice-Chair of each regional committee. The committees review and approve amendments to the BlackRock Guidelines and grant authority to the Global Head of Corporate Governance ("Global Head"), a dedicated BlackRock employee without sales responsibilities, to vote in accordance with the Guidelines. The Global Head leads a team of dedicated BlackRock employees without sales responsibilities ("Corporate Governance Group") to carry out engagement, voting and vote operations in a manner consistent with the committees' mandate.

The Corporate Governance Group engages companies in conjunction with the portfolio managers in discussions of significant governance issues, conducts research on corporate governance issues and participates in industry discussions to keep abreast of the field of corporate governance. The Corporate Governance Group, or vendors overseen by the Corporate Governance Group, also monitor upcoming proxy votes, execute proxy votes and maintain records of votes cast. The Corporate Governance Group may refer complicated or particularly controversial matters or discussions to the appropriate investors and/or regional Corporate Governance Committees for their review, discussion and guidance prior to making a voting decision. The Committees likewise retain the authority to, among other things, deliberate or otherwise act directly on specific proxies as they deem appropriate. BlackRock's Equity Investment Portfolio Oversight Committee (EIPOC) oversees certain aspects of the Global Corporate Governance Committee and the corporate governance function's activities.

BlackRock has a clear policy on managing conflicts of interest and our procedures protect the independence of the voting decision from commercial or other influences. In addition, we use an independent fiduciary to vote proxies in any case where there is or may seem to be a conflict of interest and in any case where we are legally required to outsource a vote.

No

## Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.
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Yes

OA 05.2	Indicate how frequently your organisation sets or revises objectives for responsible investment.
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At least once per year

Less than once per year

**OA 05.3**

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
- Biannually
- Annually
- Every two years or less
- It is not reviewed
- No

## Governance and human resources

**OA 08**

**Mandatory**

**Gateway/Core Assessed**

**General**

**OA 08.1**

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles present in your organisation

- 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
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
- 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
- Other role, specify
- Other role, specify

**OA 08.2**

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

## Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

### Select all that apply

- Principles for Responsible Investment

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

- Basic  
 Moderate  
 Advanced

- Asian Corporate Governance Association

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

- Basic  
 Moderate  
 Advanced

- Association for Sustainable & Responsible Investment in Asia

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

- Basic  
 Moderate  
 Advanced

- Australian Council of Superannuation Investors

- 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
- 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)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- 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

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

Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

UK Social Investment Forum

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

- Basic
- Moderate
- Advanced

Shareholder Association for Research and Education (Share)

United Nations Environmental Program Finance Initiative (UNEP FI)

United Nations Global Compact

Other collaborative organisation/initiative, specify

Please see OA 10.3

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

- Basic
- Moderate
- Advanced

Other collaborative organisation/initiative, specify

Other collaborative organisation/initiative, specify

Other collaborative organisation/initiative, specify

**OA 10.2** Additional information. [Optional]

**Additional Organisations in which BlackRock is involved in by Region**

**Americas**

- Aspen Institute Corporate Values Strategy Group
- Associação de Investidores no Mercado de Capitais
- Broadridge Domestic Steering Committee
- Broadridge Global Steering Committee
- Canadian Coalition for Good Governance
- Conference Board, Global Corporate Governance Research Center

- Council of Institutional Investors
- Stanford Institutional Investor Forum

**Europe, Middle East and Africa**

- Association of British Insurers Executive Investment Advisory Panel
- Investment Committee
- 
- Corporate Reporting User Forum
- Corporate Governance Forum Japan Focus Group
- 
- European Fund & Asset Managers Association
- Financial Reporting Council
- FTSE Policy Group
- Institutional Shareholders' Committee
- National Association of Pension Funds (NAPF) Shareholder Affairs Committee
- 
- UK Social Investment Forum
- UK Takeover Panel Code Committee

**Asia - Pacific**

- Australian Institute of Company Directors
- China Water Risk
- Conference for the Promotion of Corporate Governance
- Financial Services Council
- Japan Finance Association
- Japan Society
- MPT Forum
- Responsible Investment Association Australasia

**Global**

- International Standards Organization Securities Evaluation Group

OA 11	Mandatory	Core Assessed	PRI 4
-------	-----------	---------------	-------

OA 11.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
---------	--

Yes

**OA 11.2**

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

# BlackRock

## Reported Information

### Public version

#### Direct - Listed Equity Incorporation

## PRI disclaimer

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## ESG incorporation in actively managed listed equities

### Implementation processes


LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
--------	-----------	-----------------------	-------

**LEI 03.1**


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.

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

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	 85
--	---

- Thematic + integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	 15
--	--

- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

	Total actively managed listed equities
--	--

100%

**LEI 03.2**

Describe your primary reasons for choosing a particular ESG incorporation strategy.

Our clients are requesting screens or themes, while we implement ESG integration on behalf of all funds.

### (A) Implementation: Screening

LEI 06	Mandatory	Descriptive	PRI 1
--------	-----------	-------------	-------

**LEI 06.1** Indicate and describe the type of screening you apply to your internally managed active listed equities.

**Type of screening**

- Negative/exclusionary screening

**Screened by**

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

**Description**

Whilst BlackRock does not have an exclusion list for all strategies, we are experienced in applying exclusion lists on a client/portfolio specific basis.

As at 30 June 2014, the firm managed approximately US\$257 billion in mandates that specifically focus on ESG factors. These factors include the exclusions of securities in areas such as Alcohol, Tobacco, Gambling, Weapons and Adult Entertainment.

- Positive/best-in-class screening
- Norms-based screening

**LEI 06.2** 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.

Screening criteria are established either by our clients or by the MSCI ESG screener. With regard to controversial weapons, BlackRock has retained Ethix SRI Advisors (Ethix) to identify and assess listed companies involved in anti- personnel mines, cluster munitions/submunitions and depleted uranium ammunition and armour. Hence, the review methods will vary.

LEI 07	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

<b>LEI 07.1</b>	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.
-----------------	---

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/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
- Other, specify
- None of the above

**(B) Implementation: Thematic**

<b>LEI 09</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 1</b>
---------------	------------------	--------------------	--------------

<b>LEI 09.1</b>	Indicate the type of sustainability thematic funds or mandates that your organisation manages.
-----------------	--

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

<b>LEI 09.2</b>	Describe your organisation's processes for sustainability themed funds. [Optional]
-----------------	--

The field of responsible investment is quickly evolving, presenting opportunities to develop a range of innovative investment products, services and strategies. BlackRock offers a variety of investment products that consider or actively target social, ethical and environmental concerns:

**Negative Screens:** Available in our collective trust funds, mutual funds, and separate accounts, negative screens may be tailored to align financial solutions to clients' values and beliefs.

**Socially Responsible Equity:** This actively managed US large-cap core portfolio is based on our belief that reasonably valued, high-quality, sustainable businesses will outperform the market.

**Socially Responsible ETFs:** A variety of index-based ETFs that focus on companies with positive ESG characteristics.

**Eco solutions Investment Trust:** Targets equities issued by companies that are tapping opportunities in new energy, water resources and agriculture.

**New Energy:** Mutual fund consisting of public equities focused on opportunities within the new energy sector that globally spans sectors such as wind, solar, building efficiency, power grids, hydro, storage, smart-grid and alternative vehicles.

**Carbon Efficiency:** Index funds composed of constituents with low carbon footprints and screens for human rights, labour concerns, environmental factors, corruption and controversial weapons.

**Green Bonds:** Issuances from multilateral development banks whose proceeds are ring-fenced for climate projects and can be incorporated into clients' portfolios.

**Impact Investing:** Separate accounts that allow clients to target impact outcomes such as climate change and economic development via a range of asset classes.

**Renewable Power:** Gives institutional investors access to a dynamic, diversified portfolio of wind and solar power infrastructure investments.

## (C) Implementation: Integration of ESG issues

LEI 11	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

**LEI 11.1** Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

## Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

**LEI 18.1** Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- We disclose it publicly

Provide URL

<http://www.blackrock.com/corporate/en-zz/about-us/responsible-investment>

**LEI 18.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes
- No

**LEI 18.3**

Indicate the information your organisation proactively discloses to the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

**LEI 18.4**

Indicate how frequently you typically report this information to the public.

- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

**LEI 18.5**

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

**LEI 18.6**

Indicate how frequently you typically report this information to clients/beneficiaries.

- Quarterly or more frequently
  - Between quarterly and annually
  - Less frequently than annually
  - Other, specify
- We disclose it to clients and/or beneficiaries only
  - We do not proactively disclose it to the public and/or clients/beneficiaries

# BlackRock

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Engagement

### Overview

LEA 02	Mandatory	Gateway	PRI 1,2,3
--------	-----------	---------	-----------

LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
----------	---

Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

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 how you identify and prioritise engagements.

Each year we identify key priorities, often driven by market developments, and set a programme for the year. In addition, we screen a subset of our portfolios representing broad regional indices across the globe in which we have significant shareholdings on a quarterly basis. The intent of this screen is to identify laggards in managing ESG considerations to drive proactive engagement where there is a clear nexus between the ESG matter and financial risk.

We prioritise individual engagements based on the materiality of the issue under consideration and the size of our holding (or the value at risk).

No

**LEA 04****Mandatory****Core Assessed****PRI 2****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

No

**LEA 04.2**

Indicate if you monitor the actions that companies take following your engagements.

Yes

- Yes, in all cases
- Yes, in the majority of cases
- Yes, in the minority of cases

**LEA 04.3**

Describe how you monitor and evaluate the progress of your engagement activities.

We assess the effectiveness of our engagements based on the achievement of the targets set at the outset, as amended once our understanding of the situation has developed. In setting our objectives, we work with our portfolio managers and others internally and externally to build our knowledge of the issues, propose a sound course of action and the optimal outcomes (as perceived from the outside). Thus, the measures for each engagement will be different, and certainly the course of an engagement is unique, in our experience. Generally, we look to persuade the company that the status quo is not acceptable, put forward some ideas for addressing the issue and remain involved to encourage the delivery by management and board of fundamental change. We remain open minded and adapt our position as we progress the engagement, where appropriate, based on information to hand and developments.

No

**Process for engagements conducted via collaborations****LEA 05****Mandatory****Core Assessed****PRI 2**



**LEA 05.1**

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

Yes

**LEA 05.2**

Describe how you identify and prioritise collaborative engagements.

In our experience collective engagement by shareholders can be very effective on policy related issues such as transparency and disclosure (i.e. board disclosure on diversity policies) or enhancements of shareholder rights. However, collective engagement focused on value-related matters, such as strategic direction or company leadership, can be much more difficult to achieve collectively. In practice, collective action is difficult to manage given that shareholders tend to have a range of perspectives. In BlackRock's experience, even where there is agreement that a problem exists, it can be very difficult to agree a single course of action or timeframe in which it ought to be taken. 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.

No

**LEA 06****Mandatory****Core Assessed****PRI 2****LEA 06.1**

Indicate if the collaborative engagements in which you are involved have defined objectives.

Yes

- Yes, for all collaborative engagement activities
- Yes, for the majority of collaborative engagement activities
- Yes, for a minority of collaborative engagement activities

No

**LEA 06.2**

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

Yes

- Yes, in all cases
- Yes, in the majority of cases
- Yes, in the minority of cases

**LEA 06.3**

Describe how you monitor and evaluate the progress of your collaborative engagement activities.

To engage collectively effectively, particularly on sensitive or value-related matters, requires mutual trust amongst the shareholders, respect for the different perspectives and knowledge of one another's motives. This generally takes time and personal contact to establish, although it could be addressed in part by a code of conduct or modus operandi for collective engagement, setting out mutually accepted ground rules on the use of the media, representation of the views of others, competition issues and so on.

BlackRock assess the effectiveness of our engagements based on the achievement of the targets set at the outset, as amended once our understanding of the situation has developed. In setting our objectives, we work with our portfolio managers and others internally and externally to build our knowledge of the issues, propose a sound course of action and the optimal outcomes (as perceived from the outside). Thus, the measures for each engagement will be different, and certainly the course of an engagement is unique, in our experience. Generally, we look to explain to the company that the status quo is not acceptable, put forward some ideas for addressing the issue and remain involved to encourage the delivery by management and board of fundamental change. We remain open minded

and adapt our position as we progress the engagement, where appropriate, based on information to hand and developments.

No

### General processes for all three groups of engagers

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2
--------	-----------	-----------------------	-------

**LEA 10.1** | Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<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"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
<b>Collaborative engagements</b>	<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"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

### Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

**LEA 15.1** | Indicate whether your organisation proactively discloses information on its engagements.

We disclose it publicly

provide URL

<http://www.blackrock.com/corporate/en-gb/about-us/responsible-investment/responsible-investment-reports>

**LEA 15.2** | Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

<b>LEA 15.3</b>	Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.
-----------------	--

Engagement information disclosed
----------------------------------

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

<b>LEA 15.4</b>	Indicate how frequently you typically report engagements information.
-----------------	---

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify
- No
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

<b>LEA 15.8</b>	Additional information. [Optional]
-----------------	------------------------------------

Just as we seek transparency in the companies in which we invest, as a responsible investor, we attempt to explain our stance on corporate governance and corporate responsibility to our clients, to companies and to others. Although we prefer not to publicly disclose the details of engagements with individual companies, we provide significant information on the scope of our work. Our corporate governance and engagement principles and our market-specific voting policies, as well as information about how we implement them, are published on the BlackRock website.

We provide clients with regular reports on our voting as well as quarterly commentaries outlining market developments and noteworthy voting and engagement. We file our voting record with the Securities and Exchange Commission each August and post it at blackrock.com. This annual CGRI review, which is also available on our website, gives further context to the data.

<b>(Proxy) voting and shareholder resolutions</b>
---

<b>Process</b>
----------------

<b>LEA 17</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	--------------------	--------------

<b>LEA 17.1</b>	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
-----------------	---

## Approach

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

## Based primarily on

- the service provider voting policy signed off by us
  - our own voting policy
  - our clients requests or policy
  - other, explain
- We hire service provider(s) which 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) which make voting decisions on our behalf.

## LEA 17.2

### 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, however, this right of veto is very rarely exercised.

BlackRock's CGRI team is responsible for proxy voting. The process can be summarised 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 specialisation guided by market-specific principles
- The CGRI 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 do 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. As 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 21

Mandatory

Core Assessed

PRI 2

<b>LEA 21.1</b>	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	---

- Yes, in most cases
- Sometimes, in the following cases:
  - votes in selected markets
  - votes on certain issues (all markets)
  - votes for significant shareholdings (all markets)
  - other, explain
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

## Outputs and outcomes

<b>LEA 22</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	----------------------	--------------

<b>LEA 22.1</b>	For listed equities where you and/or your service provider has 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%)
--	--------------------------------

	%
--	---

97

	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

<b>LEA 22.2</b>	If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]
-----------------	--

The main reasons that votes are not successfully exercised are market-specific restrictions such as share blocking, issues with voting infrastructure and too short deadlines.

- We do not track or collect this information

## Communication

<b>LEA 26</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
---------------	------------------	----------------------	----------------

**LEA 26.1**

Indicate if your organisation proactively discloses information on your voting activities.

- We disclose it publicly

provide URL

<http://www.blackrock.com/corporate/en-us/about-us/responsible-investment/responsible-investment-reports>

**LEA 26.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes  
 No

**LEA 26.3**

Indicate the voting information your organisation proactively discloses to the public.

Indicate how much of your voting record you disclose

- All voting decisions  
 Some voting decisions  
 Only abstentions and opposing vote decisions  
 Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions  
 Explain some voting decisions  
 Only explain abstentions and votes against management  
 No explanations provided

**LEA 26.4**

Indicate how frequently you typically report voting information to the public.

- Continuously (primarily before meetings)  
 Continuously (soon after votes are cast)  
 Quarterly or more frequently  
 Between quarterly and annually  
 Less frequently than annually  
 Other, specify

**LEA 26.5**

Indicate the voting information your organisation proactively discloses to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

**LEA 26.6**

Indicate how frequently you typically report voting information to clients/beneficiaries.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

**LEA 26.7**

Describe any other differences in the information being disclosed. [Optional]

Clients who are set-up for standard monthly/quarterly reporting will receive a list of meetings held in their portfolios, and how we voted on their behalf, shortly after month end. This can include voting rationale. If a client does not own an asset, or votes their own assets, we do not disclose to them how we voted other clients assets. However, all BlackRock votes are publicly disclosed on an annual basis and can be accessed via the BlackRock website. The last public update was in August 2014 for votes through end of June 2014.

- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries