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# EDITED TRANSCRIPT

BlackRock Inc Annual Shareholders Meeting

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## CORPORATE PARTICIPANTS

**Andrew Dickson III**

**Gordon Melbourne Nixon** *BlackRock, Inc. - Independent Director*

**Laurence Douglas Fink** *BlackRock, Inc. - Chairman & CEO*

**Murry Steven Gerber** *BlackRock, Inc. - Lead Independent Director*

**Sandra L. Boss** *BlackRock, Inc. - Senior MD & Global Head of Investment Stewardship*

**William Edward Ford** *BlackRock, Inc. - Independent Director*

## CONFERENCE CALL PARTICIPANTS

**Rick Alexander**

## PRESENTATION

### Operator

Welcome to BlackRock's 2021 Annual Meeting of Shareholders. It is my pleasure to turn today's meeting over to our host, Larry Fink, Chairman and CEO of BlackRock. Mr. Fink, the floor is yours.

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### Laurence Douglas Fink *BlackRock, Inc. - Chairman & CEO*

Thank you, operator. Good morning, everyone, and thank you for joining us for the BlackRock's 2021 Annual Meeting of Shareholders. On behalf of everyone, our Board, our management team who are here online, some of them are in person with us today, we hope you and all your loved ones are staying safe and healthy.

I'd like to start today's meeting by taking a few minutes to talk about what's driving BlackRock's results and our strategy to deliver long-term value for all of you, our shareholders. I will then turn it over to our Corporate Secretary, Andrew Dickson, who will cover the official items of business and voting matters. At which time, we will take any questions on the items up for vote. After we conclude the official items of business, we look forward to answering questions our shareholders have submitted. (Operator Instructions)

The events of the past 16 months and the physical, emotional and financial hardships brought by the pandemic have reshaped nearly every aspect of our lives from our education to our work, to relationships. It has also driven home the critical role that BlackRock plays, not only for our clients, but for every one of our stakeholders, except -- especially in challenging times like we saw in 2020. We faced a global pandemic and the related economic fallout. We saw extreme market volatility, particularly last spring. In the U.S., we saw a historic reckoning with racial equity, and the world continued to wrestle with a deepening climate crisis.

In addressing these issues, BlackRock used the same approach we have always taken: listening to the needs of our clients and other stakeholders; working to understand their needs; and to adapt to helping them to move forward. Our steadfast commitment to long-termism, living our purpose has enabled us to stay connected with our clients worldwide when they needed us most, as it has been throughout our 33 history -- 33-year history at BlackRock. And by using our voice and always driving to deliver the best of BlackRock, our global insights, our comprehensive investment solutions and our robust risk management technology, we were better positioned than ever to deliver measurable value to all our stakeholders.

Over the last decade, clients in more than 100 companies have entrusted BlackRock with \$1.9 trillion of net new business, including \$391 billion of net inflows in 2020. Our technology platform, which we have been investing and enhancing for the last 2 decades, [flip] \$1 billion in annual revenues for the first time last year. And in 2020, we returned approximately \$3.8 billion of capital to our shareholders through a combination of dividends and share repurchases.

Our strong business and financial results and commitment to constantly investing for our future has enabled us to deliver a 47% return -- total return for BlackRock shareholders in 2020. And what I'm more particularly proud of, we delivered over a 9,000% in total return to our shareholders since our IPO in 1999, well in excess of our peers and well in excess to the broad equity markets.

The foundation that underpins the strength of our results and the investments we make across our business is our people. Throughout the past year, BlackRock's top priority has been to support the physical, the emotional and the financial well-being of our employees and

their families. We know this was a challenging year for our people as they continue to be serving clients while also juggling around all the issues of their own life that was brought on by the pandemic.

We implemented several enhancements to support them in over the past 16 months, including company-paid COVID-19 diagnostics and antibody testing, free on-demand health care programs and tools to support health care, managing stress and also trying to avoid burnout. We also continued to prioritize our culture. We launched an enhanced long-term strategy aiming at embedding diversity, equity and inclusion into everything we do, both within our firm and outside and beyond our firm. And while we still have a great deal of work to do, we are seeing progress against the targets in our plan.

BlackRock's strong performance across our platform meant we were able to do more to support our communities when they needed us most. In March of last year, we committed to donating \$50 million in COVID-19 relief efforts. And we have deployed a majority of this commitment to various food relief, community support and frontline response organizations, serving the hardest hit in communities where we operate. And just last week, we announced that a second cohort of companies have joined our philanthropic flagship program, BlackRock's Emergency Saving Initiative, which works to increase access to proven savings strategies and tools for low and moderate income households.

We're also investing in our community by forging partnerships with impact-driven organizations and helping people build financial stability through our job-readiness programs and access to saving programs and strategies and tools. We believe that work like this is making a positive impact in our communities in which where we live and operate. It's a fundamental component of being able to advance BlackRock's purpose of helping more and more people experience financial well-being.

Delivering value for all of our stakeholders is critical to BlackRock's long-term success, but it is our clients who entrust us to manage assets on their behalf. And clients are staying ahead of our needs. So this is our key program of staying in front of the needs of our clients and developing deeper client relationships, building more resilient BlackRock and ultimately driving growth for our firm, driving growth for our people and, of course, driving growth for our shareholders.

We are accelerating investment scenarios we believe have the high growth potential, such as ETFs, illiquid alternatives and technology. We are evolving our entire platform to better position ourselves to deliver more durable alpha for clients and to lead as a whole portfolio adviser across asset classes. And we are committed to integrating sustainable -- sustainability across our entire business to better help clients adapt to the fundamental restructuring of our economy in the United States and the global economy.

Climate change, in particular, is presenting tremendous investment risk, but also tremendous investment opportunity. And we are innovating to lead this fast-growing area. We're also at the beginning of a major shift in a way companies provide data and disclosure, and BlackRock has committed to not only be meeting that same standards of transparency that our stewardship team asked others. But we, at BlackRock, are going to lead by example.

We have expanded our corporate disclosure. In the last year, we published our first Task Force on Climate-related Financial Disclosures and Sustainability Accounting Standard Board aligned reports. We also published our EEO-1 data on racial, ethnic and gender diversity in our workforce.

In line with BlackRock's commitment to sustainability, we are linking our performance against ESG objectives with executive compensation. And we'll continue to evolve our compensation framework to ensure it aligns with how we are executing on our long-term strategy.

BlackRock is fortunate to have a diverse and engaged Board of Directors who play an integral role in our governance strategy and track record of long-term growth. Throughout considerations have continuously given -- of the composition of our Board in order to broaden it and make it more diverse. Diversity in views, diversity in experiences, is all represented. It's this broad range of unique perspective that challenges the management team, challenges us from our Board and pushes us forward, and so we could be better at what we do going forward.

I would like to thank Mathis Cabiavetta, who is not standing for reelection, for his wisdom and guidance. And based on the latest voting results, I would also like to welcome Hans Vestberg, Chairman and CEO of Verizon, to our Board. Hans' wisdom will be critical as we expand in key markets in Europe, use of technology to continue transforming our business, and further embed sustainability into our investment process and corporate practices.

As sustainability has become a core pillar of BlackRock's strategy, our Board of Directors have also assumed greater responsibility in its oversight of our sustainability efforts across investment stewardship, our social impact, our corporate sustainability and public policy. And in March 2021, we provide further clarity of our Board's ongoing oversight of sustainability matters. The Board changed the name of its Nominating Governance Committee to the Nominating Governance and Sustainability Committee.

We believe that BlackRock is fulfilling a need in the financial services industry by focusing clients on the long-term and long-term investing, and we remain more committed than ever to living our purpose in helping more and more people experience, financial well-being. We continue investing in our business to serve clients, to inspire our employees, to support our communities so we can continue to deliver long-term durable profits for you, our shareholders, and also to make a positive impact on society. Now more than ever, compassion, empathy and forward thinking will be essential to our future and to every corporation in the world.

I want to thank all of you for your continued investments in BlackRock. I will now pass it over to Andrew Dickson for our official agenda items, and I look forward to be answering your questions shortly.

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### **Andrew Dickson III**

Thank you, Larry. I would also like to welcome all of those in attendance today. In addition to Larry and myself, we are joined by Chris Meade, our General Counsel and Chief Legal Officer; our Board of Directors; and several members of our Global Executive Committee. Additionally, representatives of our independent registered accounting firm, Deloitte; and our Inspector of Election, Mr. Tony Carideo, of the Carideo Group are in attendance as well.

As Larry noted, I will first provide a report on procedural matters and walk through the rules of conduct for this meeting. After that, the polls will be opened, and we will respond to questions pertaining to the proposals. We will then take a brief pause for the casting of any final votes. After which, the polls will close. I will then provide the preliminary voting results and adjourn the formal portion of our meeting. After the formal portion of our meeting is adjourned, we'll use the remaining time to take general questions from shareholders that were submitted through our virtual meeting page. I encourage shareholders who have questions to submit them even now. (Operator Instructions) And also, please note that we will stop taking submissions for additional questions at the end of the formal business portion of the annual meeting.

I will now address the formalities that are necessary for our recordkeeping. I have in my possession a copy of the notice of this meeting, together with an affidavit from Broadridge showing that the notice of Internet availability. The proxy statement and our annual report were duly mailed to shareholders of record as of the close of business on March 29, 2021, which is the record date for determining persons entitled to vote at this meeting.

In addition, I have in my possession the oaths subscribed to by the Inspector of Election as well as a certified list of the shareholders of the corporation as of the close of business as of March 29, 2021.

The Inspector of Election has certified that at the start of this meeting, they were present in person or by proxy 126,190,285 votes or 82.67% of the total voting power. Therefore, a quorum is present.

I will now turn to the rules of conduct for the meeting. The rules of conduct and the agenda are available to you via the links provided on the virtual meeting page. As a reminder, recording the annual meeting is prohibited.

The following rules have been established to govern the conduct of the meeting. As this is a meeting of our shareholders, only shareholders as of the close of business on March 29, 2021, the record date, or their duly authorized proxies are entitled to vote or submit questions during the annual meeting. If you have submitted your proxy prior to the start of the meeting, your vote has been received and

there's no need to vote those shares again during the meeting unless you wish to revoke or change your vote. Shareholders were provided the opportunity to submit questions or comments in advance of the annual meeting and will be able to do so now and until the beginning of the general question-and-answer period. (Operator Instructions)

To allow us to answer questions from as many shareholders as possible, we may limit each shareholder to one question. We reserve the right to edit inappropriate language. If multiple questions are submitted on the same topic, we will group, summarize and answer those questions together. We will make every effort in the time we have to address questions and comments that are consistent with these rules of conduct. However, the company does not intend to address any questions or comments that are, among other things, irrelevant to the business of the company, derogatory in nature, related to personal matters or grievances, repetitious statements made by other shareholders or not otherwise suitable for the business of the annual meeting.

I would also like to note that in the event of a technology failure or other disruption during the meeting that interferes with our ability to continue the meeting, we will adjourn, recess or expedite the meeting. Updates regarding reconvening the annual meeting will be available on our Investor Relations website.

With that, we will now move on to the formal part of the meeting. As indicated in our proxy statement, we are here today to consider 5 items of official business.

Item 1 is the election of 16 nominees to our Board of Directors.

Item 2 is the nonbinding advisory vote on the compensation of our named executive officers.

Item 3 is the ratification of Deloitte & Touche LLP as BlackRock's independent registered public accounting firm for fiscal year 2021.

Item 4, the approval of amendments to BlackRock's amended and restated certificate of incorporation: to provide shareholders with the right to call a special meeting, which is Item 4A; eliminates certain supermajority vote requirements, which is Item 4B; and then eliminate certain provisions that are no longer applicable and to make certain other technical revisions as well, which is item 4C.

And finally, we have Item 5, which is a proposal submitted by a shareholder.

The first item is the election of directors. This year, the Board has nominated 16 individuals to serve 1-year term, ending at our next Annual Meeting of Shareholders. The names and biographies of our director nominees are included in our proxy statement on Pages 15 through 22. The Board recommends to vote in favor of each of the nominees.

The second item is a management proposal asking our shareholders to cast a nonbinding advisory vote on the compensation of our named executive officers, as disclosed in the proxy statement. While this advisory vote is nonbinding, the Management Development and Compensation Committee and the entire Board of Directors will review the results of this vote and take that feedback into account in future determinations relating to the company's executive compensation program. Accordingly, the Board recommends a vote in favor of the compensation of the company's named executive officers, as disclosed in the proxy statement.

The third item is to ratify the selection of Deloitte & Touche LLP as the company's independent registered public accounting firm for 2021. The Audit Committee of our Board conducts a comprehensive annual evaluation of Deloitte's qualifications, performance and independence. As a result, the Audit Committee believes that the continued retention of Deloitte as BlackRock's independent registered public accounting firm is in the best interest of the company and its shareholders. The Board recommends that you vote for this proposal.

The fourth item is the approval of amendments to BlackRock's amended and restated Certificate of Incorporation. The Nominating Governance Sustainability Committee of the Board reviewed the amended and restated certificate of incorporation, also known as our charter, to determine whether any changes were necessary, appropriate or desirable in light of PNC's exit from its investment in our company last May. As a result of that review and the committee's recommendations in September, the Board adopted and recommends that our shareholders approve amendments to our charter, which will provide shareholders of record with 15% or more of the voting

power of all outstanding shares, with the ability to call a special meeting of shareholders. It will eliminate supermajority voting requirements related to the amendment of certain articles of the charter and will eliminate provisions relating to significant stockholders, which are no longer applicable as well as other certain technical revisions.

The amendments are described in greater detail on Pages 94 through 97 of our proxy statement. The Board believes that these amendments are beneficial to the company and its shareholders, and recommends that you vote for each of these proposals.

Before we move to the fifth item on the ballot, I want to take this opportunity to acknowledge that BlackRock received a shareholder proposal for this annual meeting from the Services Employees International Union Pension Plans Master Trust. The proposal requested that BlackRock conduct a racial equity audit, analyzing our impact on nonwhite stakeholders and communities of color. Following some productive engagement with the SEIU, we agreed to conduct an external review next year of how our DEI strategy is impacting diversity, equity and inclusion among the firm's stakeholders, including in the communities where we operate. And we believe it will provide useful feedback in assessing our progress in areas for future focus.

In addition, I would also like to acknowledge that BlackRock received a shareholder proposal for this meeting from Mercy Investment Services, calling for a review of our stewardship teams voting practices and policies for climate-related shareholder proposals. I will now read a statement prepared by Mercy Investments and the co-filers that they asked to be shared with shareholders.

"Good morning. Mercy Investment Services is the investment program of the Sisters of Mercy of the Americas and more than 45 Mercy health care, social service and educational organizations. Mercy Investment Services and Boston Trust Walden are grateful to have the opportunity to commend BlackRock for the careful and important work it has done to align its climate strategy with its proxy voting practices. In 2020, we refiled a shareholder proposal with our company to ask it to review the previous season's proxy voting record as we believe gaps persisted between our company's stated assessment of climate risk to portfolio companies and its voting record on climate-related shareholder proposals. On behalf of all of our co-filers, we greatly appreciate the constructive engagement we have had with BlackRock's representatives throughout this process. After we observed a shift in voting mid-year to support important climate-related proposals and to vote against directors of companies that are underperforming in their climate response, we were unable to withdraw the shareholder proposal. BlackRock has shown leadership in its disclosures and rationale for voting, and we believe that our company's voting actions will hasten portfolio company's management of climate risks and energy transitions. Thank you."

That concludes the statement from Mercy Investments. We will now turn to the fifth and final item, which is a shareholder proposal submitted by James McRitchie. The shareholder proposal requests that the Board takes steps to amend BlackRock Certificate of Incorporation to become a public benefit corporation. The supporting statement is included in the proxy statement, along with the Board's statement of opposition. Mr. Rick Alexander is in attendance. And to present the proposal on behalf of the shareholder proponent, operator, could you please unmute Mr. Alexander's line so that he may present the proposal?

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**Operator**

Mr. Alexander's line has now been opened. Mr. Alexander, you may proceed.

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**Rick Alexander**

Thank you, operator. Thank you, Mr. Dickson, and thanks to the company for having me at the meeting today. My name is Rick Alexander. I'm the CEO of the shareholder comments. I'm here today on behalf of Jim McRitchie to present Item 5, requesting that the company convert to a PBC. The purpose of this proposal is to allow the company to reject the corporate law requirement of shareholder primacy, which imposes the requirement that the corporation put financial return at the center of its all its decisions. By converting to a PBC, BlackRock could reject this rule and authentically put the interest of all of its stakeholders on a par with those of its shareholders.

In the proxy statement, the company says they already deal with stakeholders in an adequate manner. But here's the rub. They only think about stakeholder interest to the extent it profits the company. As the company's own governance guideline provide, the Board is committed to creating value solely for the company and its shareholders and no one else, not employees, not the environment and not its own clients. This is a quote from the company's governance guidelines. The members of the Board are elected by the company's shareholders and use their business judgment to direct, provide, counsel and oversee the management of the company in the interest of

and for the benefit of the company and its shareholders, full stop.

Now the proxy statement recommends against the proposal because it claims the company already operates in a manner that considers the interests of its shareholders and other stakeholders. While this is true, it ignores the issue raised by the proposal. The stark reality that as a conventional company, the interest of shareholders are prioritized over other concerns.

I congratulate the Chairman, the executive team and all the workers on the 9,000% return to shareholders mentioned by the Chairman and on last year's donations to address the COVID crisis. But being a -- but as a conventional corporation, the financial return is the ultimate measure of success. As a PBC, the company could question the source of those 9,000% profits and the \$50 million in donations and could reject profits that come from the exploitation of common resources. Now the company, which controls \$9 trillion in assets, very powerful, currently considers the interest of society and the environment only in the context of delivering value to its own shareholders.

For example, as mentioned from -- in the Mercy statement, the company is committed to saving environmental systems. However, as the company itself says, it will "not tell management what to do" about the destruction of natural capital, even when companies in its portfolio that it can influence earn profits by destroying the environment. The refusal to rock the boat is the opposite of corporate -- responsible corporate citizenship. And ironically, it harms its own shareholders when trying to maximize value with that sort of balancing because they rely on a stable environment to maintain a thriving economy to support what most shareholders have, which is a diversified portfolio.

The plain truth, reading through BlackRock's materials, is that their strategy for their \$5.5 trillion index business is to deliver cheaply market tracking returns to investors without focusing on improving the rate of return of that entire market. This strategy squanders the opportunity that BlackRock has to stop companies from externalizing costs, even though a healthy economy is a far greater value driver for index portfolios than the profits of any one company. Studies have shown systematic factors, in fact, explain up to 94% of average portfolio returns. As a PBC, BlackRock could expend more resources in order to focus on improving the return of indices, thus the market. If BlackRock were freed from the internal return optimization model, it could use additional resources in stewarding the companies that make up these indices, even if the change in focus do not optimize BlackRock's own internal rate of return.

While the company certainly has a commendable stewardship program, it remains focused on issues that address individual company returns, not preservation of the systems that support the economy. Investment in improving social and environmental impact, even at companies where it does not raise the internal rate of return, would allow BlackRock to benefit its diversified shareholders and its clients by increasing overall market return. In other words, the proposal is not meant to appeal to altruism.

BlackRock's conduct hurts its own shareholders because they have diversified portfolios with investments in many companies. These portfolios suffer when the economy bears the weight of the systemic threats that corporations like BlackRock create, as do the portfolio of its clients. Conversion to a PBC would change the rules that govern the company, allowing it, together with its shareholders, to reject the shareholder primacy that threatens us all.

I hereby move the vote on Item 5. Thank you.

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### **Andrew Dickson III**

Thank you, Mr. Alexander. That concludes the presentation of the items of business. It is now 8:28 a.m., and I declare the polls officially open. We will now take any questions related to the proposals presented at this meeting.

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## **QUESTIONS AND ANSWERS**

### **Andrew Dickson III**

We've already received a number of questions related to matters up for vote, which we'll address now. Shareholders can continue to submit questions through the virtual meeting page. And we will seek to answer as many as we can in the allotted time for general Q&A.

Larry, we received a handful of questions from shareholders regarding our Board, including from [Philip George, Walter Cunan and H.

Amos Goodall], among others. What is the rationale for having 16 directors on BlackRock's Board? Does the company benefit from having this many directors? And what are the qualifications for Board membership?

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**Laurence Douglas Fink *BlackRock, Inc. - Chairman & CEO***

Well, first of all, thank you for the questions. From the time we went public in 1999, I would tell all of you, the Board has been totally instrumental in assisting us and building us and having us focus on the long term. And there, the Board has been fundamental in building what BlackRock is today. From the very beginning, we had a large Board. I believe the large Board has enabled us to have deeper, broader representation across many facets, the facets of diversity. Our business has benefited from that.

Diversity of mind is so important to us, diversity of race and ethnicity, diversity of experience, diversity of geography. We now have on our Board technology expertise. We have marketing expertise. We have global finance expertise. We have public policy expertise. It is very important to me and the entire Board as BlackRock business has evolved over time and as we strategically invested in BlackRock's future that we have a diverse group of men and women of directors with the right experiences, skills, perspectives to guide us and to challenge us. And I believe having a Board that is fully accomplished in all the metrics of diversity, they also challenge us continuously. And I believe we've been incredibly fortunate that we've been able to attract high-level Board members who are diverse.

And the other thing I would say, if we ever felt that the Board did not feel properly engaged because of size, then that it would be a limiting factor. But I believe with the quality of our Board, with the experience of our Board, we have Board meetings that are lively, sometimes even confrontational. But most of the time, they're incredibly partnerly. But they do seek to guide BlackRock's management, pushing BlackRock's management forward making sure we are living our purpose every day, making sure that our principles are being lived by every employee.

Our Board meets regularly to ensure that the channels for oversight and communications are constantly open. The directors are committed to be attending the meetings and have an excellent track record of attendance and participation. And the formats of our meetings and the information and materials provided to the directors are provided way in advance so they have time to digest and understand where are we going as a management team. And we allow them to truly understand all the strengths of the firm, but also all our weaknesses, all our areas of improvement.

Our directors have been always, since 1999, respectful of each other, respectful of each other's voices and views. And the committee structures enable us also to have better process if we need to do a deep dive on audit, on risk, on policy, on governance, on compensation.

I would also tell you, every one of our Board member has the same type of entry to all our offices as I do. They're allowed to visit any office at any time without any conversation with me or anyone else at BlackRock. It is their job to making sure what they learn from us, that they could see firsthand. And so we have a very open conversation, very open relationship with their Board that they can, as there will, judge what is happening in every office, in every location, in everything we do.

With the challenges presented by the pandemic, the Board has been more engaged than ever. So we do have a Board of Directors that are larger than most S&P companies. Well, that may not be appropriate for every company. But I believe because of BlackRock's global footprint, offices are in more than 30 countries. And as I talk about stakeholder capitalism, making sure that we are strong in all our communities, we're strong with all our stakeholders, having that geographic diversity of our Board, having content diversity gives us a real opportunity to have those broad conversations.

Let me ask Gordon Nixon, our Chair of the Nominating Governance and Sustainability Committee, to comment on the qualifications for Board membership and if he has anything to add from what I said about the Board size. Gord?

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**Gordon Melbourne Nixon *BlackRock, Inc. - Independent Director***

Thank you, Larry, and you've covered it well. And thank you to the shareholders for the questions.

In terms of qualifications, the committee and the Board take into consideration a number of factors and criteria when we review

candidates pre-nomination to the board. At a minimum, a director nominee must demonstrate via significant accomplishment in his or her field an ability to make a meaningful contribution to the Board's oversight of the business affairs of BlackRock. And we often look to add specific expertise that are important in what is a very dynamic environment. A good example of that over the last couple of years is, with the growth of Aladdin and the increased importance of managing technology across our businesses, we have significantly enhanced the technology expertise that we have on our Board.

In addition, a director nominee must have an impeccable record of -- and reputation of honest and ethical conduct in his or her professional and personal activities. There are -- there is more information on the minimum qualifications for serving as a member of the Board that can be found in BlackRock's corporate governance guidelines.

Now as far as size goes, I would note that the Board evaluates its size and composition at least once every year. As part of that evaluation, each director has asked to consider not only whether the Board has a relevant mix of expertise and talent, but also diversity, and whether our board size is appropriate and enables us to have constructive dialogue during our meetings.

For context, in response to the most recent evaluations, a number of directors praised the open and collaborative culture of the Board and the value that we receive from the diversity of thought and background.

Now recognizing that we do have a large board, a constant theme throughout the results of our Board evaluation is how actively engaged the directors are with respect to both board activities, but also with respect to individual interactions that we have with management in areas where directors can add value.

Thanks again to the shareholders for the question.

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**Andrew Dickson III**

Thank you, Gord. Related to that question on Board size, Larry, we also received a few questions regarding the compensation for our Board of Directors, including one from [David Dados], asking, can you speak to the level of compensation received by directors? And why compensation has remained the same as the prior year despite the COVID-19 pandemic?

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**Laurence Douglas Fink *BlackRock, Inc. - Chairman & CEO***

David, thank you for that question. I think it's more appropriate for Murray Gerber, BlackRock's Lead Independent Director, to answer that question.

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**Murry Steven Gerber *BlackRock, Inc. - Lead Independent Director***

Thanks, Larry. And again, thanks to all the shareholders for their questions.

Our Management Development and Compensation Committee consults with an independent compensation consulting firm, Semler Brossy, to review and give guidance to us about BlackRock's director compensation framework. More information on this is available in our proxy.

Suffice to say that our director compensation is competitive, but is not an outlier relative to similarly situated competitors and compared to the overall financial management industry, our director compensation framework aims to appropriately compensate our directors for an extremely high level of service while also being competitive with the market.

As Larry mentioned, BlackRock is a multifaceted global business, with tremendous scale and scope. BlackRock's directors are required to have a deep understanding of many topics related to the business and related to the broader economy. We are fortunate to have an extraordinarily collegial group of directors who work hard, and despite their other obligations, have shown to be reliable when matters come up that need Board consultation. Larry knows he can call any one of us at any time for advice, and we will make ourselves available.

Just for perspective, during the pandemic, the Board and committees met a total of 46 times, with our Board meeting 10 times, and our

committees meeting between 6 to 14 times each. So we kept a full schedule of oversight in spite of the challenges presented by the pandemic.

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**Andrew Dickson III**

Thank you, Murray. Related to the last question on Board compensation, Larry, we have another shareholder asks, why BlackRock give shares to executives and directors? Wouldn't this dilute the equity and voting power of each shareholder? Are they required to hold shares for a specific period of time?

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**Laurence Douglas Fink *BlackRock, Inc. - Chairman & CEO***

Well, that's a great question. I think it's appropriate for Bill Ford, the Chair of our Management Development and Compensation Committee, to respond to this one.

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**William Edward Ford *BlackRock, Inc. - Independent Director***

Great. Thank you, Larry, and thanks to all of our shareholders for their questions today.

BlackRock's Management Development and Compensation Committee believes that it's important to align the interest of our executives and our directors with those of our shareholders. The most direct way to accomplish this goal is through employee equity awards. We carefully monitor dilution to our shareholders from our equity compensation programs. Our equity burn rate or the amount of shares issued to employees and directors divided by total shares outstanding remained steady in 2020 at 0.8%, and is in line with industry peers.

For our named executive officers, our total annual compensation structure embodies our commitment to align pay with performance. More than 60% of their total compensation is granted in deferred equity and "at risk." Equity awards ensure that we are aligning the interest of our executives with the performance of BlackRock and promoting long-term shareholder value.

Our global executive committee is required to own a target value of shares outright, not including unvested shares or unexercised stock options ranging from \$10 million for our CEO, \$5 million for our President and \$2 million for all our other global executive committee members. The committee monitors the compliance with these guidelines.

I'll also note that the committee engages Semler Brossy to conduct a periodic compensation -- sorry, periodic competitive market reviews of our employee and director compensation programs. Nearly 75% of annual payments to directors is delivered through deferred equity, linking director compensation to BlackRock's success and promoting long-term shareholder interests.

Independent directors are also required to retain a certain level of shares within 5 years of joining the Board. In 2020, we increased the ownership requirement from \$375,000 of stock to \$500,000, which is over 5 times the annual Board cash retainer. All of our directors have met or are on track to meet this requirement.

Thank you, Larry. And I'll turn it back to you.

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**Laurence Douglas Fink *BlackRock, Inc. - Chairman & CEO***

Thank you, Bill.

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**Andrew Dickson III**

Thanks, Bill. Larry, we received a comment from a shareholder on BlackRock's recent announcement that it would conduct a racial equity audit. Can you elaborate on what this means and what prompted your decision? And what is the firm hoping to get out of it?

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**Laurence Douglas Fink *BlackRock, Inc. - Chairman & CEO***

Another great question. Thank you. Our goal, our purpose at BlackRock is to be a leader integrating diversity and equity and inclusion into every aspect of our business, ranging from our people, our culture, how we serve our clients and to use our voice for the broader society. And we understand that, to truly create a diverse and an inclusive and an equitable environment, we, as an organization,

throughout its entire footprint, we need to embrace these -- all these dimensions of diversity.

To doing that, we need to have more accountability and transparency, which we are providing now, which helps us push forward on our essential principles in achieving our ambitions in this area. And I strongly believe, we need to lead by example.

We have already embedded accountabilities into our business and management assessments. This is part of their quarterly business update that we are looking at every leader in terms of how they're moving forward in their division. We've begun sharing our quarterly progress reports across the firm on our DEI strategy to create more transparency within the firm.

Building on these efforts, we believe an external review of how our strategy is impacting diversity and equity and inclusion within BlackRock, our clients and across the communities in which we operate, will provide, I think, a useful feedback in assessing our progress and our future. And as we all know in life, nothing is better than transparency, and that transparency helps us move forward and be better at what we do and to push it throughout the organization.

We'll conduct this review beginning next year after we have established the foundational elements of our newly launched and enhanced DEI strategy, and we believe this external review can be an effective tool to build on everything we're doing on this area. And we look forward to be sharing the results to all of you, our shareholders, and across all our stakeholders. Thank you.

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## PRESENTATION

### Andrew Dickson III

Thank you to those of you who've submitted questions. We will continue with general Q&A in a moment. But I will now make a final call for a vote on the proposals.

As a reminder, any shareholder who has not yet voted or wishes to change their vote may do so by clicking on the voting button on our virtual meeting page and following the instructions. Shareholders who have sent in proxies or voted via telephone or Internet and do not wish to change their vote do not need to take any further action. I'll pause now for a moment for voting to occur.

(Voting)

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### Andrew Dickson III

Okay. I hereby declare the polls closed on all matters being voted upon by shareholders. I will now report on the preliminary voting results.

Based on the proxies and votes already received and subject to final tabulation, each of our 16 director nominees have received over a majority of votes cast.

Our nonbinding advisory vote on the executive compensation of our named executive officers received approximately 93% of the vote in favor and 6% against.

The ratification of Deloitte as our independent registered public accounting firm received approximately 99% of the vote in favor.

All of the amendments to our charter have passed.

And finally, the shareholder proposal submitted by Mr. Jim McRitchie received approximately 2.3% of the vote in favor and approximately 97% of the vote against.

Official voting results will be publicly reported and available on the SEC's website within 4 business days.

This concludes the formal business of the meeting. As I am aware of no other business, the 2021 Annual Meeting of Shareholders of

BlackRock is hereby adjourned.

We will now turn to the general shareholder Q&A portion of the meeting. Please note that the time for submitting questions for the general question-and-answer period is now closed.

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## QUESTIONS AND ANSWERS

### Andrew Dickson III

We'll now turn to shareholder questions, and we'll pause for a moment to review the questions that have been submitted through the portal.

Larry, one of our shareholders has asked for an update on BlackRock's sustainability goals and the progress that has been made on them. The shareholder also wants to know how BlackRock is positioned for the shifting of investment assets towards sustainable solutions.

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### Laurence Douglas Fink *BlackRock, Inc. - Chairman & CEO*

Thank you for that question. As I've said repeatedly, I've said this in my CEO letters, BlackRock is deeply committed to embedding sustainability across our entire business because our investment conviction is that a better integration of sustainability factors and portfolios will help our investors achieve better long-term risk-adjusted returns. That is why, over 2 years ago, we prioritized initiatives to make sustainability integral in the way we manage risk, the way we generate alpha, build portfolios, pursue investment stewardship, operate our business. And we have achieved a number of important milestones, including having 100% of our active and advisory strategies fully ESG integrated.

Since 2020, we have launched more than 100 sustainable products across asset classes, investment styles and regions that are investing in data and analytics and tools to better assess and understand ESG risk, including through our Aladdin Climate offering.

I need to remind everybody the \$9 trillion that we are responsible, none of it is our money. 100% of the money we manage is as a fiduciary to our clients. And we believe by offering choice, by showing our clients why climate risk is investment risk, we are -- we play an important role in the nexus between the asset owners we manage money for and the corporations in whom we invest in, and that is the important conviction. And so as we provide better analytics, better data, better conversations, we are witnessing a real change, a real change in investment attitude. And we're seeing more and more money moving out of traditional investment strategies or indexes into more sustainable strategy than indexes. And we believe through choice, through technology, this movement is going to continue to operate.

Another area that we continue to advance is, even more than what we've just done, we are focused on how to making sure that the global goal of a net 0 greenhouse gas emission is met by 2050 or sooner. That's going to be a large target. I will also say, we, at BlackRock, can't do it alone. We need governments around the world to be more focused on this to move forward. And importantly, we need all the society to move forward, not just public companies.

For example, another thing that we have done, we've incorporated the impacts of climate change into our capital market assumptions. And we're working now to publish a temperature alignment metrics for our public equity and bond funds, so our clients, our money owners, our asset owners can have sufficient reliable data. And BlackRock's investment stewardship team is also engaging with business to help ensure our companies and our clients are investing in both the mitigation of climate risk, but also, this is one thing I want to emphasize, the opportunities presented in the transition. We believe the opportunities to invest in new technologies, to working with traditional companies who are part of a platform of hydrocarbons as they have the science to evolve and move and move forward.

So I'm incredibly excited about the growth opportunities, and I'm excited that more and more clients are looking for BlackRock to help them on their journey towards a more and deeper understanding of climate risk. And I would say, as a result of BlackRock's role, our sustainable assets grew by 64% organically last year versus the industry's 27%. So I'm incredibly excited about the growth potential we're seeing as a result of our focus on sustainability. I'm incredibly excited about how we are seeing the entire ecosystem society is

moving forward. But we, as an asset manager, can't do it alone. This has to be broadly done throughout the world and throughout society.

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**Andrew Dickson III**

Thank you, Larry. We also received a number of questions from shareholders regarding BlackRock's diversity, equity and inclusion initiatives. Can you elaborate on BlackRock's commitment to fostering a culture that encompasses these attributes?

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**Laurence Douglas Fink *BlackRock, Inc. - Chairman & CEO***

Another wonderful question. I thought I answered some of it earlier, but let me take the question a little deeper.

We're deeply committed in building a more diverse firm. We're deeply committed, making sure we have a more inclusive culture, a cultural where people feel safe, safe to project themselves in a safe way. We also believe a diverse workforce is critical to our success. Our client-centric culture and our ability to deliver value to all our stakeholders. That is why we've recently launched this multiyear DEI strategy, centered on BlackRock talent and our culture, our role as a fiduciary on behalf of our clients and our advocacy for public policy and social impact in the underserved communities. As part of the strategy, we're holding our firm's leaders, our managers more accountable for continuing progress against our goals.

And within our own network and workforce, we are setting goals for increasing the representation of Black and LatAm X employees by 30% in the United States and doubling down the number of U.S. Black and Latinx senior leaders by 2024. I'm proud to share that by mid-March, we have 14% more Black MDs and directors and 9% more LatAm MDs and directors in the United States than a year ago. I don't want to stop here. I don't want to say we are successful because we have a lot more work to do, and we're holding our team accountable for that.

We know that we must improve representations of a diverse population, while also focus on developing and retaining Black and Latinx employees already at BlackRock, and ensuring that they feel supported and they feel empowered to thrive, to grow, to build a life. That is why we launched a number of dedicated leadership development programs focused on accelerating careers and career impacts for Black and Latinx employees. We're also linking our progress towards increasing Black and LatAm X representation to the ways we pay on our corporate credit facility on enhancing our commitment and accountability to achieving these goals.

We updated our supplier code of ethics and conduct to encourage our suppliers to adapt best practices, including being transparent about their diversity representation, their implementation of DEI strategies. And hopefully, they are also making a meaningful progress on inclusion and diversity.

We also have initiatives such as a diverse broker program, which is aimed at helping minority, women, disabled, veterans. Owned firms grow their business. I am very proud, and this is a pretty big number. In 2020, we traded \$295 billion of securities with diverse brokers in the United States as a result of this program. In addition, the BlackRock Foundation committed \$10 million in support of racial equity in the communities in which BlackRock operates. We know that progress comes from hearing the voices of people with varied backgrounds and perspectives, which is not only serving to improve BlackRock's culture, but also serving our business and the firm overall. Engage in this dialogue openly and directly and following through with these actions is the only way that we can make real change in the time we are striving for.

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**Andrew Dickson III**

Thank you, Larry. Larry, we've also received more than a dozen questions and comments from shareholders regarding BlackRock's involvement in political issues. Many of these relate to state laws regarding voter rights. Specifically, why did BlackRock sign a CEO statement on voter rights?

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**Laurence Douglas Fink *BlackRock, Inc. - Chairman & CEO***

Well, this is a big question in society today. Let me be clear, when we signed this and how we thought about this, it was very deliberate. It was deliberate for one reason. To me, this is not politics, and we do not want to direct ourselves in politics. And as we said in our letters, this is about our principles.

In my -- one of my letters, I wrote that for capitalism to work, for American capitalism to work, we need an inclusive democracy. One that includes a participation of as many, I want to underline, as many, and I want to underline, eligible voters as possible. Equal access to voting is the foundation of American democracy. It's the America that I grew up in. And the fact that more than 300 really strong, prominent American companies of all different types from all different industries, all different regions of the country were willing to sign this statement on voter access demonstrates that this is a principle. This is not politics. It's fundamental to our society and fundamental to who America is.

Voting should be easy and accessible. We need to ensure that it's easy and accessible to all the eligible voters. Voting is not just a right, but a vital component of our civil activity. We, as a society, need to encourage all eligible voters to play a central role that their voice is heard in our democracy. And BlackRock encourages voting among our own employees, providing information in voting registration, having people take time off to cast their votes to making sure our employees are fully following what we call the American democratic process.

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**Andrew Dickson III**

Thank you, Larry. A shareholder wants to know why BlackRock continues to invest in companies that exhibit negative externalities, including private prisons. Can you speak to this?

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**Laurence Douglas Fink *BlackRock, Inc. - Chairman & CEO***

Another difficult and hard question. But there are a few different components of this question. But before I begin, I want to emphasize that BlackRock's fiduciary duties, as I said earlier, is to the asset owners, the people we manage our money for. We were required in the United States to live up to our fiduciary standard rule, and it is our job to invest on their behalf of their choices, of their preferences.

I'll start with what we're doing on our active investments and then discuss it on the index side. For our actively investment funds, we are continuously evaluating the risk return profiles and negative, externalizing the externalities that are posed by specific sectors as we seek to minimize risk and maximizing long return for clients. That is our fiduciary responsibility. For example, today, we have no exposures in the actively managed assets to certain sectors and heightened ESG risks, such as controversial weapons manufacturing. The identification and evaluation of high ESG risk sectors is a key part of our ESG integration process. As I mentioned earlier, BlackRock has 100% of our active and advisory strategies that are ESG integrated.

So ESG plays a very important component, and that component is to improve the outcome, I want to understand, the outcome for our clients, the investors, by using material sustainability information as a tool to identify new risk and opportunities. And we believe that ESG integration is an important tool that help -- can help us and help our investment team to manage these negative externalities.

On the index side of our business, BlackRock does not choose the components of the index. If a client wishes to be in one index that has private prisons, as the question was asked, it is -- we would be breaking our contract with a client if that's what they -- that is the index they chose to invest in. So if a client chooses the exposure to a particular index, whether it is the FTSE 100 or the S&P 500 or the Russell 2000, our job as a fiduciary is that we need to provide the exposure to these securities in that index. We don't have a right to do anything but that. And that's why we're asking and offering our clients more and more choice. We are identifying issues that may be controversial. Would a client like those securities excluded or not? And we believe it's through that dialogue as a fiduciary that we are creating more and more customization and democratization of investing.

So for all the index components of our business, we have been working with the index providers to deliver more sustainable versions of their index. So we expand choice for our clients. For example, for clients who want to avoid exposure to certain industries, we offer a suite of ESG advanced ETFs, which screen out 14 controversial sectors, including nuclear weapons, civilian firearms, controversial weapons and for profit -- or for-profit presence, and only invest in companies with an MSCI ESG rating of BBB or greater. I could promise you, we are actively engaged with the index providers for them to provide more sustainable product options that exclude companies with high ESG risk from the ESG benchmarks, such as for-profit presence.

**Andrew Dickson III**

Thank you, Larry. We received questions from a few shareholders, including [Ortho Oman, Roberta Giordano and Ben Cushing]. These shareholders are encouraged by our increasing commitment to climate action and note the importance of BlackRock's role in the transition to a net zero economy. They would like to know more about BlackRock's engagement with fossil fuel companies and how BlackRock plans to take action against those that fail to adequately plan for a Paris-aligned future.

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**Laurence Douglas Fink *BlackRock, Inc. - Chairman & CEO***

Andrew, I think the question is probably better served -- or the answer is better served to be answered by Sandy Boss, who is engaged with all the companies, who is representing BlackRock and all our asset owners in our corporate stewardship team. Sandy is our Global Head of Investment Stewardship team. And so Sandy, can you answer that one for us?

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**Sandra L. Boss *BlackRock, Inc. - Senior MD & Global Head of Investment Stewardship***

Sure, Larry, yes. Thank you for the question. So -- and Larry has mentioned earlier in his remarks, we firmly believe that climate risk is investment risk, and fossil fuel companies certainly face climate risk, whether that's physical risk or transition risk. So the investment stewardship team at BlackRock has been intensifying our approach to climate risk, particularly over the course of the last year.

In 2021, we expanded our focus universe of carbon-intensive companies from 440 to more than 1,000 companies all around the world. These companies represent more than 90% of the global Scope 1 and 2 emissions, the greenhouse gas emissions of the companies that BlackRock invests in on behalf of our clients. And we published a new commentary, it's called Climate Risk and The Transition to a Low-Carbon Economy, which is available on our website. And in that, we outlined what is our ask for companies that they have clear policies and action plans that they manage climate risk. And we also look for them to realize opportunities presented by the global energy transition.

If we're concerned about company's progress, we may take voting action against the directors that we consider to be responsible for climate risk oversight, where corporate disclosures are insufficient and when we're not able to make a thorough assessment or when a company has not provided a credible plan to transition its business model to low-carbon economy. And our voting records are available quarterly again on our website.

This is a long journey to reach net zero. And I'd like to emphasize that we are supported of investee companies as they make significant changes in their governance, their risk management and their strategy. Many are setting ambitious targets, and they have a lot to do to meet them. So we'll be engaging closely with them as they manage this transition, and it's vital for the long-term value of our clients' investments that they do so.

Let me hand it back over to you, Andrew.

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**Andrew Dickson III**

Thank you, Sandy. We received another question related to stewardship, which maybe you can also take. This question is from [Maira Birth]. Maira would like to know how BlackRock is holding companies accountable for keeping indigenous and other communities safe from deforestation, rights violations and environmental devastation.

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**Sandra L. Boss *BlackRock, Inc. - Senior MD & Global Head of Investment Stewardship***

All right. Thank you very much for the question, Maira. The investment stewardship team has long engaged with companies on environmental risks, including deforestation risk. We firmly believe that the management of natural capital is vital to company's ability to generate long-term sustainable value for the shareholders. In our view, unsustainable approaches to forests can present financial and reputational risk for companies.

So earlier this year, we published a commentary on our approach to engagement on natural capital. And in that, we described how companies that have significant dependencies or impacts on natural capital. We see that they need to be disclosing how that material natural capital risks and opportunities might affect their operations, their long-term strategy, capital expenditure decisions and risk management, and very importantly, the communities in which they're operating. We also encourage these companies to explain how

relevant risk are identified, assessed, managed and mitigated as well as how related opportunities might be harnessed.

And when we see a company with material deforestation exposure, we are asking for disclosures that can be quite specific. So for example, providing a breakdown of the geographic locations where the company is growing or sourcing agricultural commodities, how that operates as a percent of its total production and sourcing. So investors can understand how exposed the company is to sensitive high risk areas.

Specifically, with respect to indigenous rights and human rights, we do see risk materializing for companies in a few ways. So using contested land or infringing on indigenous people's rights that can damage community relationships irrevocably, it can jeopardize access to resources that are critical for operations. And clearly, these are issues that we look to companies to focus on and to manage.

And I encourage all the shareholders to read more about both our approach to engaging on natural capital as well as our approach on human rights impacts, including indigenous peoples. Those are both available on the investment stewardship website of blackrock.com.

And Andrew, I'll hand it back to you.

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**Andrew Dickson III**

Thank you, Sandy. Larry, one shareholder is asking why BlackRock continues to operate in countries like China, given the country's record on human rights. We also received a question from [Nancy Mancias] regarding BlackRock's oversight of human rights issues. Can you comment on these questions?

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**Laurence Douglas Fink *BlackRock, Inc. - Chairman & CEO***

Nancy, thank you for that question. Let me start off by saying, human rights are a fundamental concern for BlackRock, and we're committed in addressing human rights issues across our entire business.

As a participant in the UN Global Compact, BlackRock aligns our operations with universal principles on human rights, on labor, on environmental issues, on anticorruption, and we're taking action to advance those societal goals. We also, of course, fully comply with the U.S. rules and regulations regarding doing business in every country, including China.

BlackRock's purpose, as we've discussed for years and years and years, is to help more and more people experience financial well-being. And just as in the U.S. and many other countries across the world, they're facing a pretty severe retirement crisis. China is no different. In addition to the rapidly aging population, China is also facing a contracting labor force and a very large underfunded state pension. So ensuring that all people can enjoy a secure retirement and live retirement in dignity is essential to BlackRock's mission and our long-term strategy.

And in China, we believe we can play a role in helping build a modern retirement platform for their citizens. We also have a variety of clients in China, including banks and corporations and pension funds and public funds and many clients globally, who are very interested in exposures in the region and understanding the country and its impacts on markets. I'm a big believer of global capital markets. And I believe as more company -- countries enter the global capital markets, that is going to be -- create a better barometer and mechanism for companies and countries to cooperate more connectively. And so we believe playing a role in providing greater economic integration and diversification. And China will enable us to build a more modern and sustainable economy and society for all its citizens and deliver long-term value for its clients.

I would also just add, China is the second-largest economic -- economy in the world. And globally, investors worldwide are seeking more exposures to invest in China as they see that as a very long-term opportunity.

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**Andrew Dickson III**

Thanks, Larry. We received a few questions from shareholders, including [William Athold], around what BlackRock is doing to support the communities in which we operate and help make the economy more resilient and inclusive for more people.

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**Laurence Douglas Fink *BlackRock, Inc. - Chairman & CEO***

Thank you, William. So making a positive impact on the communities in which we live and operate is a fundamental component of being able to achieve our purpose as a firm in helping more and more people experience financial well-being. We also talk about stakeholder capitalism. And a major component of stakeholder capitalism is really making sure that you're living your purpose within the communities where you work.

In 2020, BlackRock launched the BlackRock Foundation and made a philanthropic commitment of \$589 million to promote an inclusive and sustainable economy. Our philanthropic efforts span mission-aligned grants or community-based investments, humanitarian disaster relief effort, and importantly, employee engagement and volunteering. This includes our \$50 million commitment to establish BlackRock's Emergency Savings Initiative, which works to increase access to and usage of proven saving strategies and tools for low and moderate income households in the United States. It also includes our \$50 million commitment to COVID-19 relief efforts and other charitable organizations.

BlackRock always seeks to advance a more inclusive and sustainable economies through investments and how we serve our clients. For example, in our alternatives platform, we are making impact investments that accelerate positive economic outcomes for historically undercapitalized racial and ethnic groups in the United States while delivering financial returns as a fiduciary to our clients. Building a more inclusive and more sustainable economy is not something that has a finite end date. It actually requires consistent -- a consistent dialogue, consistent long-termism, consistent long-term investments across public and private sectors. We look forward to continuing to use our actions, our voice to support the communities where we work, in which we can operate and seek a more prosperous and a more equitable world for more people.

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**Andrew Dickson III**

Thank you. Thank you, Larry. We've received a handful of questions from shareholders, including [Joseph Volcan, Itehab Chowdry], regarding BlackRock's appetite for share repurchases and if the company would consider a stock split in the future given that BlackRock's share price is now well over \$800.

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**Laurence Douglas Fink *BlackRock, Inc. - Chairman & CEO***

Thanks for that question. BlackRock's capital management strategies remain to, first, invest in our business and then return our excess cash to our shareholders through a combination of dividends and share repurchases.

We have said in our January earnings call that, based on capital spending plans for the year and subject to market conditions, including the relative valuation of our stock price, we are targeting to repurchase another \$1.2 billion of shares during 2021. And as of you've seen, we've already repurchased \$300 million worth of our shares in the first quarter.

But regarding a stock split, I just don't see any value in that. I don't see why that creates more value. And I want to just conclude by saying, we are focused on making sure we're returning the ultimate value to you, our shareholders. And that's what we're focused on, making sure that we are focusing on returning capital when we see we can, but also reinvesting so we could have more sustainable, more durable long-term profitability on behalf of all our shareholders.

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**Andrew Dickson III**

Thank you, Larry. We've also received questions from [Scott Shepherd and Tim Smith] on how we make decisions on proxy voting.

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**Laurence Douglas Fink *BlackRock, Inc. - Chairman & CEO***

Well, I'm going to pass this off to Sandy, but let me just make one key point. Our stewardship function, which I take very strongly, is a part of our fiduciary duty to our clients, to our asset owners. We take this responsibility very seriously. This is why we have built the largest corporate stewardship team and the global capital markets. Nobody has the scale and the size that we have in terms of engagement with our companies that we invest.

So the question is what drives long-term value for stakeholders of these companies? I think Sandy would be the best to answer that question.

**Sandra L. Boss BlackRock, Inc. - Senior MD & Global Head of Investment Stewardship**

Thanks, Larry. Well, look, I'll just be brief on this. And first of all, thank you for the question. I mean, as Larry said, when we engage with and vote on the company, we are doing that with a singular purpose: Maximizing long-term value for shareholders. This is not about advancing any individual's value. It's about our clients. And that's why, for example, Larry spoke about our -- updating our capital market assumptions around our investment convictions of the role that climate risk plays in their -- in the long-term value of our clients' investments. So that's what we are doing, is we're responding to those investment convictions.

And what I would say is our investment stewardship team is fully transparent regarding our policies for how we engage, how we vote, how we manage conflicts of interest. And we've taken a number of steps to mitigate any kind of perceived or potential conflict. So you can find all that information on the investment stewardship section of blackrock.com. We endeavor -- in addition to what Larry said about being -- making the biggest investment in stewardship, we also endeavor to really set a high mark for transparency in everything that we do. We think we owe that to all of our stakeholders. It's very important to our clients.

And with that, I'll hand it back to Andrew.

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**Andrew Dickson III**

Thank you, Sandy. We have time for one more question. Larry, this one will be for you. One of our shareholders is asking if BlackRock is going to invest in bitcoin. Can you comment on BlackRock's views on cryptocurrency and if BlackRock plans to offer any bitcoin products in the near future?

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**Laurence Douglas Fink BlackRock, Inc. - Chairman & CEO**

Well, first, I'd been a surprise if I didn't get this question. I'm not the best spokesperson for this.

The firm has monitored the evolution of crypto assets. We are studying what it means, the infrastructure. We're studying the regulatory landscape. And we see cryptos evolving in the markets. In recent years, we've seen an incredible interest from day traders, from traders, from fast money platforms to invest in this. And I'm intrigued. Every conversation I have on the streets, in restaurants, with taxi drivers, they want to know about crypto. So it has really caught the imagination of so many components of our society.

BlackRock is a long-term investor. Crypto could play possibly a role in long-term investing as an asset class, maybe associated like gold. Is it -- the question investors -- long-term investors are asking, is this an asset class that can be countercyclical to some of their core assets? And that's what's being studied now. But with the extreme volatility, with the large bid-ask spreads, it is the broker dealers making the most money on crypto because they're making a huge bid-ask spread on this that is not being discussed.

We are engaged with our clients worldwide on this. We are following what regulatory issues are going to be about and how they're going to look at this, but I think it's too early to say. Is it just a speculative trading tool that people use? I certainly have witnessed that has caught the imagination of business media. They spend a great deal of time talking about it. But I could tell you, most of the conversations we're having with our long-term savers, our long-term investors, crypto does not come up. It is not a topic of long-termism. It is a topic of day trading, of the actions at the moment, the ups and downs, the Tiktok of the world. But I am intrigued. I'm fascinated. I'm fascinated by how many people are asking questions about it. I'm fascinated about its value in today's society. And it may play a very large role in the future. I'm more of an observer than somebody who is really living it. And so there'll be many more people who can answer that question than me.

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**Andrew Dickson III**

Thank you, Larry. Thank you, everyone, for your questions. In reviewing the remaining questions that have come in, I think it's fair to say that they look like they're concern topics, which we've already addressed during the meeting. So accordingly, I will now turn it over to you Larry again for some closing remarks.

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**Laurence Douglas Fink BlackRock, Inc. - Chairman & CEO**

Thank you, Andrew. I first need to just thank all of you for being shareholders of BlackRock. We truly appreciate you joining our virtual annual meeting and thanking you for all those submitted questions. And hopefully, you -- we've taken the time to answer those

questions.

I'm more excited than ever about the opportunities that lie ahead for BlackRock, as we continue to live our purpose and serve all our stakeholders. We are going to continue to invest in BlackRock's future, so we can help more and more people invest to build savings, to build comfort during retirement, to make investing easier, to make investing more affordable, to advance sustainable investing and importantly, to contribute to a more inclusive and more resilient economy.

As the economy gets -- becomes more resilient, as the economy becomes more broadened, BlackRock is better positioned than ever to generate long-term durable profitability for you, our shareholders. And I'm committed in making sure that this is -- that we, as a firm, are living that purpose.

Please, everyone, stay healthy. Let's -- hopefully, we can all enjoy a wonderful summer that we could have physical hugs instead of virtual hugs. And so please, everyone stay safe and healthy. Thank you.

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