25-May-2022

BlackRock, Inc. (BLK)

Annual General Meeting

CORPORATE PARTICIPANTS

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

Sara E. Murphy
Chief Strategy Officer, The Shareholder Commons

Gordon Melbourne Nixon
Independent Director, BlackRock, Inc.

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Director & Chair-Management Development & Compensation Committee, BlackRock, Inc.

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MANAGEMENT DISCUSSION SECTION

Operator: Welcome to BlackRock's 2022 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.

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

Good morning, everyone. On behalf of everyone at BlackRock and our Board of Directors who are here in person or on the line, thank you for joining us for BlackRock's 2022 Annual Meeting of Shareholders.

We have again chosen to host our meeting virtually in the interest of health and safety and to provide more access to our shareholders and members of the public. Through our virtual format last year, twice as many shareholders were able to attend compared to prior years.

I would 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 question on the items up for vote.

After we conclude the official items of business, we will look forward to answering questions our shareholders have submitted. If you would like to submit questions, you may do so through the submission box on the virtual meeting page. We have built time into our schedule to answer as many questions as we can this morning.

The tragic war in Ukraine, a global energy shock and the Fed's more hawkish pivot to confront rising inflation all in the space of a few months has sparked a reassessment of growth, profitability and risk, which are playing out in the markets; with the S&P down 17% year-to-date and the tech-heavy Nasdaq is down over 25%.

In addition, bond markets have had one of the worst starts to a year on record, with the U.S. aggregate index – bond index down nearly 10%. Even before the war in Ukraine, inflation was already top of mind for many investors as the effect of the pandemic, including the shift in consumer demand from services to household goods, supply chain bottlenecks and labor shortages partially linked to changes in immigration policy in the United States, brought inflation in the United States, Canada, United Kingdom and across the European Union to the highest level in decades.

Markets are reflecting investor anxieties [ph] as you evaluate in a value (00:03:16) the action central banks are taking to carefully raise rates to contain inflation without harming economic activity or harming employment. Our clients are trying to understand the implications of this rapidly changing investment environment.

As a fiduciary, BlackRock is working with our clients to understand how near-term market dynamics and long-term structural changes will impact their portfolios as we help them pursue their long-term financial goals. Clients are turning to BlackRock for insight. They're turning to BlackRock for solutions, and we remain committed to providing our clients with a full range of investment choices. The breadth and scale of BlackRock's platform enables us to serve clients in all market environments. We've invested many years to build a comprehensive investment platform, industry-leading technology and a global footprint with strong local expertise.

We use her voice to consistently advocate for long-term investing on our client's behalf. I need to remind all of you, we are the asset advisor. We're not the owner of these assets. And we advise our clients as to what they should be doing, how they should be looking. But it is our client's choice as to where they put their money. And we invest and we evolve our business by listening to our clients and other stakeholders working to understand what their needs are and how they should be adapting and how we can help them better.

By staying true to our principles and purpose, we have grown as a trusted partner to our clients and our relationships I could proudly tell you have never been stronger. Over the past five years, clients in more than 100 companies have entrusted BlackRock with nearly $2 trillion of net new assets, including a record of $540 billion of net inflows in 2021.

Our multi-decade investment in our Aladdin technology platform continues to differentiate BlackRock, both as an asset manager and as a leading fintech provider. We generated $1.3 billion in annual technology services revenues in 2021, up 12% year-over-year. And client demand remained very strong.

In addition, we returned approximately $3.7 billion of capital to our shareholders last year through a combination of dividends and share repurchases. Momentum continues into the first quarter of 2022, BlackRock generated $114 billion of long-term net inflows, demonstrating again the breadth of our asset management platform with positive flows across all products, positive flows in all investment styles and positive flows in all regions.

Our strong business and financial results and commitment to consistently investing for the future have enabled us to deliver over 75% total return to you, our shareholders, over the past five years. And we returned 6,600% since our IPO in 1999, well in excess of our peers and well in excess of the broader equity markets.

I have found and witnessed that in times of market uncertainty that is the greatest opportunities that present itself. BlackRock's breadth, BlackRock's resilience enables us to play offense when other organizations may be pulling back, our agility in responding to opportunities and continued investments across market cycles have driven our industry-leading growth and generated value for all of you, our shareholders.

I'm incredibly excited about the opportunities ahead of us to better serve our clients and to generate future growth. Our investments are closely aligned with our strategy to keep alpha at the heart of BlackRock, to accelerate growth in our iShares business, to continue to build up private markets and to continue to build out Aladdin. And then through all that, we are delivering whole portfolio advice, whole portfolio solutions to our clients and to be the global leader in sustainable investing, the foundation that underpins the strength of our results and the investments we make across our business is our people. We remain focused on investing on our employees'

experience at BlackRock, including by expanding training and development, enhancing mental health services and other benefits and importantly, to continue to advance diversity, equity, and inclusion.

Our steadfast commitment and actions to accelerate DEI are not only to attract and to retain diverse employees, but also to allow them to flourish, to feel supported and have a true sense of belonging at BlackRock. We constantly work to support a culture where all voices can contribute to our growth and are focused on attracting the best talent and helping them grow throughout our world footprint.

For example, we have developed strategies to increase the diversity of our applicant pool; in 2021 our [ph] analyst class (00:09:10) globally with 55% women; and in the United States, 19% black and 15% Latinx.

We also recognize that our talent is highly sought after. And we continue to invest in leadership development and programs and sponsorship to retain and to accelerate the careers of our high performing, underrepresented professionals.

BlackRock remains committed in helping more people in the communities in which we operate. In 2021, we partnered with over 75 organizations worldwide through The BlackRock Foundation and provided grants to 325 local organizations nominated by our employees.

Our philanthropic efforts helped remove barriers to economic opportunity through job training programs, helping households build savings through our emergency savings initiative and support the development of clean energy solutions through our $100 million grant to [ph] Breakthrough Energy Catalysts (00:10:11). More recently, in 2022, as the war in Ukraine continues, BlackRock and more than 2,000 of our employees donated to relief organizations working within the borders of Ukraine.

BlackRock is very 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 consideration is consistently and continuously given to the composition of our board in order to broaden and to diversify the views and experiences [ph] represented (00:10:51). It's a broad range of unique perspective that challenges and push management forward, and I want to thank the board for that.

I'd also like to thank Jessica Einhorn, who is completing her term on our board with her guidance and leadership over the years. She was on our board.

BlackRock is honored by the deep trust our clients place in us. We remain focused on advocating on behalf for long-term investing, and we remain committed to living our purpose of helping more and more people experience financial well-being. We are going to continue to invest in our future to serve our clients. We're going to continue to invest in our future to inspire our employees and to support our communities so we can deliver and continue to deliver durable profits for you, our shareholders. And we could do that also by making a positive impact on society.

Thank you all for the continued investment in BlackRock.

I'll now turn it over to Andrew Dickson for our official agenda items, and I look forward to answering your questions shortly.

R. Andrew Dickson

Managing Director & Corporate Secretary, BlackRock, Inc.

Thank you, Larry. I would also like to welcome all of those in attendance today here with us in New York. In addition to Larry and myself, we are joined by Chris Meade, our General Counsel and Chief Legal Officer, members of 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. [ph] Tony Carredeo of the Carredeo Group (00:12:27), are in attendance as well.

As Larry noted, I will first provide a report on procedural matters and cover the rules of conduct for this meeting. After that, the polls will be opened and we'll 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 will use the remaining time to take general questions from shareholders submitted through our virtual meeting page. I encourage shareholders who have questions to submit them even now.

When submitting a question, please include your name, your status as a shareholder or proxy holder and your organization along with the text of your question. 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.

Please note that we will be posting a transcript of the meeting to our Investor Relations website later this week.

I will now address the formalities that are necessary for our record keeping. I have in my possession a copy of the notice of this meeting, together with an affidavit from Broadridge, our tabulation agent, 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 28, 2022, which is the record date for determining persons entitled to vote at this meeting.

In addition, I have in my possession the oath 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 on March 28, 2022. The Inspector of Election had certified that at the start of this meeting, there were present in person or by proxy 126,114,268 votes, or approximately 83% 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 28, 2022, the record date, whether 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. To submit questions, please follow the instructions on the virtual meeting page.

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, repetitions of statements made by other shareholders or otherwise not 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 this meeting, we will adjourn, recess or expedite the meeting. Updates regarding the reconvening of our 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 four items of official business. Item 1, the election of 17 nominees to our Board of Directors. Item 2, the non-binding advisory vote on the compensation of our named executive officers. Item 3, the ratification of Deloitte & Touche LLP as BlackRock's independent registered public accounting firm for fiscal year 2022; and Item 4, a proposal submitted by a shareholder.

The first item is the election of directors. This year, the board has nominated 17 individuals to serve one year terms, ending at our next annual meeting of shareholders. The names and biographies of the director nominees are included in our proxy statement on pages 17 through 25. The board recommends a vote in favor of each of the nominees.

The second item is a management proposal asking our shareholders to cast a non-binding advisory vote on the compensation of our named executive officers as disclosed in the proxy statement. While this advisory vote is non-binding, the Management Development & Compensation Committee and the entire Board of Directors will review the results of the 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 2022. The Audit Committee of the Board of Directors 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 and final item is a shareholder proposal submitted by James McRitchie. The shareholder proposal request that BlackRock adopts stewardship policies designed to curtail corporate activities that externalized social and environmental costs that are likely to decrease the returns of portfolios that are diversified in accordance with portfolio theory, even if such curtailment could decrease returns at the externalizing company. The proponents supporting statement is included in the proxy statement along with the board's statement of opposition.

Sara Murphy is in attendance to present the proposal on behalf of the shareholder proponent. Operator, please unmute Ms. Murphy's line so that she may present the proposal.

Sara E. Murphy
Chief Strategy Officer, The Shareholder Commons

I'm Sara Murphy at The Shareholder Commons. We're asking the board to adopt stewardship practices that prioritize economic risks to BlackRock's diversified client portfolios over individual company financial performance, diversified investors who depend on overall market performance for up to 91% of their portfolio returns make up the bulk of BlackRock's clients and shareholders. The social and environmental costs individual companies create in pursuit of profit threatens diversified investors' portfolio value. Indeed, in 2018, publicly listed companies imposed social and environmental costs on the economy with an annual value of $2.2 trillion, more than 50% of the profits those companies recorded.

BlackRock's stewardship policies don't balance these competing interests to its diversified clients and shareholders' optimal benefit. BlackRock's opposition statement shows that it operates under the mistaken belief that its stewardship practices must always encourage companies to maximize their own enterprise value. That erroneous belief harms BlackRock's diversified clients and is contrary to law.

When BlackRock's stewardship policies leave portfolio companies to externalize costs, it's making a trade that affects its clients. For example, if BlackRock didn't object to a portfolio company saving costs with cheaper, carbon intense energy, it might trade away climate mitigation, which supports the intrinsic value of the economy, in exchange for more internal profit at the individual company.

While this trade might financially benefit a shareholder with shares only in that company, it harms BlackRock's diversified clients and its own diversified funds by threatening overall market performance or beta. By turning a blind eye to portfolio effect, BlackRock ignores the best interests of its many diversified clients and threatens the value of its own shareholders' diversified portfolios. Indeed, for these investors, the systemic impact the company has on beta swamp the significance of alpha. BlackRock fails to address the fundamental concerns we're raising.

At several points in its opposition statement, BlackRock raises stakeholder interest, apparently having missed the point that this proposal pertained squarely to improving investment returns. While we certainly value corporate attention to stakeholder interest, that's not the point of this proposal. This proposal seeks a change in BlackRock's stewardship practices that would benefit its own client, to whom it has a fiduciary obligation.

BlackRock has the opportunity to take a leadership role here. Instead of doubling down on its myopic, alpha-only strategy, BlackRock could forge a different path, one that truly serves its clients and shareholders by acknowledging the fact that prioritizing individual company financial performance may not be in diversified investors' best interest. In so doing, BlackRock could rise above empty rhetoric that stubbornly denies the obvious reality that shareholders' interests and individual companies' interests can and do diverge. The requested change in stewardship policies would demonstrate a genuine commitment to optimizing BlackRock's clients and shareholders returns. Please vote for Item 4.

QUESTION AND ANSWER SECTION

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thank you, Ms. Murphy. That concludes the presentation of the items of business. It is now 8:22 AM and I declare the polls officially open. We will now take any questions related to the proposals presented at this meeting. We've already received a number of questions related to matters up for a vote, which we will address now. Shareholders can continue to submit other 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.

To start, we've received a handful of questions on the shareholder proposal we just heard about, asking both to explain what the proposal's asking for and why the board recommends against the shareholder proposal?

Larry, I'll turn to you to comment on why the board recommends against the shareholder proposal.

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

Again, Sarah, thank you for your presentation. Our board has considered the proposal and determined that it is not in the best interest of our company and our shareholders, because the proposal asked BlackRock to take actions that are potentially at odds with some of our clients' stated investment objectives and our fiduciary responsibilities and duties. To put it simply, the proponent wants BlackRock to adapt stewardship policies with the goal of directly supporting the health of social and environmental systems rather than focusing on the performance of individual companies. As laid out in our opposition statement and the proxy statement, we believe that the share – this shareholder's request is something that may create legal risk for the company and is inconsistent with how we view our responsibilities as a fiduciary to our client base, which spans many different investment objectives.

I'd also add that our stewardship team's policies and practices already address environmental and social risk in a manner that the team believes is better suited to achieve the long-term goals of our clients. The team's practices and voting policies are based on experience engaging with companies and voting on matters at shareholder meetings. Accordingly, the board has recommended that shareholders vote against the shareholder proposal.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thanks, Larry. For more information on the proposal and the board's statement of opposition, encourage shareholders to see pages 97 and 98 of our proxy statement.

Larry, we've received a handful of questions from shareholders regarding the size of our board, including from [ph] William Jerry, Adrian Ali and Eric Jolley, (00:25:31) among others. The questions are as follows: what is the rationale for having 17 directors on BlackRock's board? How do we make sure the board operates effectively with so many directors? And has BlackRock looked at its governance structure and assessed whether such a large board is necessary?

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

Well, thank you for the question. I'm going to ask – answer part of it, and then I'll ask Gord Nixon, our Chair of our Governance Committee and Nominating Committee to respond also. As Chairman of the board, I've always believed in having representation across many different aspects of diversity. Since we went public 23 years ago in 1999, I could tell you firsthand, our business has benefited from the contributions of our diverse board. We have on our board, diversity of thought, diversity of experience, diversity of gender and race and [ph] ethnicity, (00:26:34) diversity of nationality and diversity of geography. Many of our board members live and work in different parts of the world.

We also have technology expertise, we have marketing expertise, global finance expertise, energy expertise, and much more. We are incredibly fortunate to have such a diverse and engaged Board of Directors that reflect the ambitions and scope of BlackRock and our board has been instrumental and pivotal in building what BlackRock is today. 14 of our 17 directors are current and former CEOs with experience and perspective on running successful companies across a diverse range of industries.

We have always had a large board relative to other companies. It has been very important to me and the entire board that BlackRock's business has evolved over time and that we're strategically investing in BlackRock's future. And so, we have a diverse group of directors with the right experiences, with the right perspectives and skills and they have helped to guide and shape management's decisions and they have represented you, the shareholders, quite extraordinarily well. So, we do have more directors than most S&P 500 companies. And while that probably isn't appropriate for every company, I could tell you for the first 23 years, it has worked fantastically for BlackRock.

I'll ask Gord Nixon, Chair of our Nominating, Governance & Sustainability Committee, to comment on our board structure and if he has anything more to add to what I've said. Gord?

Gordon Melbourne Nixon
Independent Director, BlackRock, Inc.

A

Thank you, Larry, and thank you for the question. I would note that the board does evaluate its size and its composition at least once a year. As part of that valuation, each of our directors is asked to consider not only whether the board has a relevant mix of experience, talent and diversity, but also whether our board size is appropriate and enables constructive dialogue and effective meetings.

In response to the most recent board committee evaluations, we received very high marks for open, collaborative culture at the board, very high engagement of directors. Directors agree that the board has the appropriate mix of members to be effective, and some commented that the diversity of experiences and views really contributes to a very dynamic board. Now, recognizing that we do have a larger board than others, a constant theme and the results of our board evaluation is how effectively engaged directors are with respect to our board activities, but also importantly with respect to individual interactions that our directors have with management in areas where they [ph] can then (00:29:34) add value.

I must say that one of the challenges of boards, and I don't think it's done better than – I've not seen it done better than here, is that Larry and management are willing to use the strengths of our board, whether it's expertise in financial services, technology, public affairs, et cetera, and leans on directors for work outside of regular board activity. And I think that's a really important value add that is brought to this board for which BlackRock has benefited from.

Our directors are committed. Attendance is strong, participation is strong. Our directors are given materials in advance of the meeting, where we make enhancements to the format of our meetings that further enable us to

have productive and robust discussions. [ph] Of importance (00:30:23) are all respectful of other views and voices. And one extremely important issue is that the structure of our board committees, which are much smaller by nature, enables the board and the committees to address specific items of business and governance in a very effective manner. So, hopefully that helps answer your questions.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thank you, Gord. We've also received a question from [ph] Kimberly Adcock (00:30:47) regarding our board leadership structure. Does BlackRock plan to split the positions of Chairman and CEO, so they are not held by the same individual? Gord, I think I'll pass this one on to you.

Gordon Melbourne Nixon
Independent Director, BlackRock, Inc.

A

Yes, thank you, Andrew. And once again, thank you for the question. And I begin by emphasizing that I work and have experience under virtually all the different scenarios, CEO and Chairman in common, an Independent Chair, Lead Director, and Non-Executive and Executive Chair. And the one thing that I would certainly conclude is that there is no right or wrong in terms of the structure and the combination of the role of Chairman and CEO. I think a lot depends on nature of the company, the experience, the CEO, the tenure, and the nature of the board itself.

In our case, Larry, has served in the capacity of both Chairman and CEO since the founding of BlackRock in 1998. He brings 30 years of experience and leadership and an unparalleled knowledge of business operations and risk to his role as Chairman of our board. The board believes that this current combination of the two roles provides us with the most effective leadership structure to deliver long-term growth and value to our stakeholders.

Like many other companies where the role of Chairman and CEO are combined, we have established a Lead Independent Director role that helps ensure the exercise of independence judgment and to facilitate coordination with the other independent directors. Murry Gerber serves in this capacity and has substantial experience with corporate governance and a deep knowledge of the company. He has significant authority and responsibility to provide for an effective and independent board. As Lead Independent Director, Murray helps to ensure the board exercises independent judgment and further facilitates coordination with our independent directors. His responsibilities include leading executive sessions and facilitating discussions of the company's strategy, key governance topics such as succession, and the performance of BlackRock executives at such sessions. Murray also reviews and approves the agenda for the board meetings in consultation with Larry. I think it's worth noting that members of the board have commended Murray's strength as our Lead Independent Director in our most recent board and committee evaluations.

So, that's all I'll say for now. But it works very effectively and if shareholders are interested in learning more, we do provide extensive disclosure on the role of our independent director and why our board leadership structure is the right one for BlackRock, and that is included in our proxy statement.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thanks, Gordon. Larry, we received a question from [ph] William Hatcher (00:33:39) regarding CEO compensation, which I will go ahead and direct to Bill Ford, our Chair of the Management Development & Compensation Committee of our board. Bill, the shareholder notes that the company's CEO pay ratio is nearly 200 to 1, and he would like to understand how the compensation committee justifies this ratio of CEO to median employee pay.

William E. Ford
Director & Chair-Management Development & Compensation Committee, BlackRock, Inc.

A

Thank you, Andrew. Our compensation and benefit programs are designed to attract, retain and motivate talented employees and to support employees across many aspects of their lives. Our annual compensation process at all levels of the business takes into consideration firm-wide results, individual business results, employee performance and market benchmarks. We are proud to offer competitive compensation and a wide range of benefits to our employees.

While we recognize that our 198 to 1 ratio of CEO compensation to medium employee compensation may seem considerable, the committee recognizes that the difference is driven by a number of talent and market-based factors that align with market practice. Simply put, our CEO and median worker compete in the incomparable talent markets and differ significantly in role, experience and tenure. Pay for employees is determined in accordance with our annual compensation process and philosophy.

For 2021, our CEO's pay determination considered the company's record financial performance, outperformance relative to peers, delivery of robust shareholder returns and an assortment of strategic milestones achieved under Larry's leadership. As described in our Compensation Discussion and Analysis section of the proxy. It is also notable that more than 95% of our CEO's compensation is variable and at risk based on performance, with the majority delivered in deferred equity. We are proud that our median employee compensation, which is primarily comprised of fixed salary, ranks among the highest across financial services and the broader market. And we recognize that this is just a current snapshot of compensation for our median employee and a poor metric for their career earnings potential within BlackRock.

We note that our CEO pay ratio is lower than the mean and median ratio for our compensation peers in other financial services firms of similar scale. The committee considers broad-based employee compensation when determining compensation for the company's senior executives and believes in the effectiveness of our annual compensation process overall.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thanks, Bill. Larry, we have another shareholder who's asking why BlackRock gives shares to compensate executives and directors. I think the concern is that this compensation framework dilutes shareholders.

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

I think it'd be appropriate to have Bill answer that question.

William E. Ford
Director & Chair-Management Development & Compensation Committee, BlackRock, Inc.

A

Thank you, Larry. And thanks to our shareholder for this question and all the other questions. The committee believes that it is important to align the interests of our executives and similarly our directors to those of our shareholders. The most direct way to accomplish this is through equity awards. On the dilution point, the committee carefully monitors equity dilution to our shareholders from our equity compensation programs. Our equity burn rate or the number of shares granted to employees and directors relative to our total shares outstanding remained steady in 2021 and below the mean and [ph] medium (00:37:18) of our compensation 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 incentives, which directly align the interests of these executives with BlackRock's delivery of long-term shareholder value. In fact, our belief in the merits of equity incentives is exactly why we require our directors and executives to own certain level of shares. Our Global Executive Committee is required to own a target value of shares outright, ranging from $10 million for our CEO to $5 million for our President and $2 million for all the other members of our GEC. The committee monitors compliance with these guidelines annually. Independent directors are required to retain certain levels of shares within five years of joining the board. In 2020, we increased the ownership requirement from $375,000 to $500,000, which is over 5 times the annual board retainer.

R. Andrew Dickson

Managing Director & Corporate Secretary, BlackRock, Inc.

Thanks, Bill. And thank you to those of you who submitted questions. We will continue with the general Q&A in a moment. But I will now make a final call for a vote on all 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 will pause for a moment for voting to occur.

All right. 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 17 director nominees have received over a majority of the votes cast.

Our non-binding advisory vote on the executive compensation of our named executive officers received approximately 95% of the vote in favor and 4.6% against. The ratification of Deloitte as our independent registered public accounting firm received approximately 97% of the vote in favor and 3% against. The shareholder proposal submitted by James McRitchie received approximately 3.6% of the vote in favor and 95% of the vote against. Official voting results will be publicly reported and available on the SEC's website within four business days.

This concludes the formal business of the meeting. As I'm aware of no business – other business, the 2022 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 Q&A period is now closed. We will now turn to shareholder questions and we'll pause for a moment to review the questions that were submitted.

QUESTION AND ANSWER SECTION

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Okay, we're back. We received a number of questions from shareholders including [ph] Scott Shepard, George Benta, David Brown (00:41:24) and others and I'm going to group and paraphrase here a little bit on why BlackRock uses its voice in support of various issues, including calls to address climate change and racial equity, which they characterize as personal and political preferences. Larry, I'll turn to you to comment on this.

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

Everyone, thank you for that question. As I wrote in my CEO letter earlier this year, BlackRock uses our voice. I use my voice to advocate on behalf of our clients because we're using our voice for them. Because in today's global interconnected world, a company must create value and be valued by its full range of stakeholders in order to deliver long-term value for its shareholders. This is about creating long-term, durable value for our shareholder and for our investors who trust BlackRock. We advocate on behalf of our investors or our clients around the world that will impact their long-term investment outcomes.

The global energy transition is one example of an important investment risk, but also a big opportunity. With that, our clients expect us to navigate through their portfolios. As I've often said, we focus on sustainable – excuse me, sustainability, not because we're environmentalists, but because we're capitalists and we're fiduciaries to our clients. We're not involved in the management of companies. As a fiduciary for our client, our interest is seeing companies create sustainable long-term value for our shareholders.

Our employees are also increasingly looking to us to use their voice to connect with them in issues of importance to them. Our voice is resonating with all our stakeholders, evidenced by our record 2021 business and financial results, and I remain committed in using that voice on behalf of the asset owners who have entrusted their money on us. And I would also say it is ultimately their choice. It is their choice where to allocate the money into what index, into what style, and we as a fiduciary will carry on their wishes.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thanks, Larry. Several shareholders have questions on BlackRock's investments and strategy in China. They'd like to know, Larry, how you and the management team at BlackRock think about investing – the investment risks in the country and why we continue to pursue our China strategy in light of increasing political tensions?

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

Another great question. We recognize that our stakeholders have different views on China. And it's – our investors can decide to invest or not to invest in China or anywhere else. BlackRock does not take those concerns lightly about clients who are worried about China. We seek to balance the views of all our stakeholders and act as a constructive participant in the interconnected economic relationships between the United States and China, but between the United States and every part of the world. And this is why I'm a big believer in the global capital markets.

Every day since our founding, we listened to our clients and worked to evolve ahead of their needs so we could better serve our clients, our investors, the asset owners. As I said earlier, we provide investment choice to our clients by providing a full range of investment options for our clients to help them meet their investment goals. Whether our clients want their investments to include or exclude certain sectors, certain geographies or companies, we help them with their unique preferences.

But let's understand the context between the United States and China. We have a large, interconnected economic relationship. It is our view that China and the US will continue to be connected and that capital markets will be an important component of that relationship going forward. To add some more context, in 2021, the total trade in goods and services between the United States and China was over $700 billion. We believe that China investors hold approximately $2.1 trillion of US securities. And US investors, we believe approximately, in the totality of it, invest about $1.2 trillion in China securities.

Our clients around the world, including many US clients seek a broad range of global exposures to help diversify their portfolios and achieve their long-term investment goals. As the second largest economy in the world, China's almost inevitably a component in that global exposure and a major component of some of the major indexes. Currently, only a small portion of BlackRock's assets under management are invested in China. We have approximately 2% of our total assets. Over 75% of that 2% are in indexes, largely coming from standard, broad-based indexes that include China's assets. This is despite China being the world's second largest economy.

We are – and this is our clients' choice if they choose to be, for instance, in an emerging market portfolio, China is included. If they're included, – if they're wishing to be in a Asian bond portfolio, and some clients wish to be in that, China is included. And so, as I said, 75% of the ownership that we have at BlackRock in China is based on indexes. And in all cases, to have these type of allocations, these are the investors' or the asset owners' choices.

In every market where BlackRock operates, we are guided by the same principles, the same values and delivering on our purpose of helping people experience financial well-being. For BlackRock's business in China, we aim to help Chinese individuals to save and to invest and to retire in dignity by providing our retirement systems expertise, our retirement systems products and services locally, just like we do in other countries around the world, where we are the largest retirement manager for many, many countries throughout the world, not just in the United States.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thank you, Larry. A shareholder wants to know why BlackRock continues to invest in companies that exhibit negative externalities, including human and civil rights abuses. Wonder – I guess, asking if this is inconsistent with BlackRock's broader sustainability strategy.

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

Another wonderful question. There are a few different components to the question. But before I begin that, I want to just emphasize again that BlackRock's fiduciary duty is to our clients, the asset owners, and we invest on behalf of their choices and their preferences. Again, I want to emphasize that we provide investment choice to our clients. We offer our clients information, we offer them products, we offer them tools so they can make a choice where and how to invest their money.

And increasingly, a number of our clients are interested in and asking for sustainable strategies and products, that's why we provide a full range of investment options for our clients to help them meet their individual

investment goals. We help clients pursue their individual preferences. This includes whether they want their investments to include or exclude certain exposures. Over 90% of BlackRock's equity assets are managed through index funds, where we have to invest in the underlying index that our clients select.

I want to be clear, human rights are fundamental to BlackRock in our role as a fiduciary to our clients. Investors are increasingly focused on how companies manage human right issues relevant to their operations. Governments around the world set policies on human rights. We adhere to applicable laws and restrictions in every country where we operate. Our investment stewardship team assesses companies on a range of issues that can have an impact on long-term shareholder value. In a highly interconnected global economy, companies face increasingly scrutiny regarding how they address human right issues that may arise from their own individual business practices and we take a direct and firm view of this across all our investments. Thanks.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thanks, Larry. The next question actually does touch on our investment stewardship team. A shareholder's asking if we could discuss BlackRock's approach to proxy voting. Wondering if we typically just follow a company's board's recommendations?

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

I think I'm going to pass most of the response to Sandy Boss, our Global Head of Investment Stewardship to address the question. But first, I would just want to make an important point. We're the ultimate long-term investor, so our stewardship function, which the firm takes very seriously, is critical in fulfilling our fiduciary responsibilities, our duties to the asset owners. This is why we have built the largest stewardship team in the industry. The team is engaged with companies and make proxy voting decisions. The team is involved not just during proxy time, but engage with companies throughout. And that is critical.

Through this engagement, the teams support companies in which efforts to create long-term durable financial performance on behalf of the asset owners or clients and serve as an important link between our clients, our asset owners and the companies in which they invest in.

Sandy, let me turn it over to you.

Sandra Boss
Senior Managing Director, Global Head-Investment Stewardship & Member-Global Executive Committee, BlackRock, Inc.

A

All right. Thanks, Larry, and thanks also to our shareholders for the question. Look, I'll be brief, we strive to be as transparent as possible with our clients and other stakeholders on our stewardship policies and approach. So, we regularly publish reports and information about how we're engaging with companies, how we're voting for our clients, when the clients are authorizing us to do that on their behalf. And a lot of these materials can be found on our website, if you look at the Investment Stewardship page on blackrock.com. So, I encourage our shareholders to do that.

Look, before I touch on voting, though, I want to talk a little bit about engagement. The stewardship team is regularly engaging with companies, so we're listening to the views that the companies have on value creation, on the business risks that they're facing, the opportunities that they're focused on. We also want to share our perspective as a long-term investor. When we better understand a company's approach to their key governance

and business considerations, then that helps us understand the implications for the financial interest of the long-term investors like our clients.

Now, our engagements, like Larry said, they extend well beyond the proxy season, and that really forms a foundation for open communication, gives us better understanding and clarity. And these are things that are really essential to making informed decisions on our clients' behalf. So, when we think about the topics we discuss, the questions we ask, the guidelines under which we operate, all of that is really focused on the long-term financial performance of our clients' investments. And these activities and these policies, they reflect the extensive research and analysis that that stewardship specialist team is providing. And the team is examining company disclosures, looking at BlackRock proprietary research, also third-party analysis. And doing this so we can understand the risks that companies are managing, the opportunities that they're pursuing.

Now voting, that was the source of this question. Voting is perhaps the broadest form of engagement that's available to us. And we always do that looking through the lens of long-term investors' financial interests. So, clients when they do authorize us to vote on their behalf, we're doing that according to what we assess to be in their long-term financial interests. That voting is very careful, it's methodical and considered often on a very detailed case-by-case basis. Most of the votes that we are taking are on standard company resolutions. For example, approving a dividend, reelecting directors. It's important to note that less than 1% of the votes that our team does is on shareholder proposals, even though they're very visible.

So as such, our degree of support for company management often reflects the nature of the proposals that we're facing. For the most part, we're a supportive shareholder thinking about those company's long-term interests because those then align with our clients. And for example, in 2021, we voted to support 90% of directors that were proposed for reelection by management globally.

So, thank you, Larry.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thank you. Thank you, Sandy. We have another question that's come in from [ph] Kenneth Quinsey (00:55:14) who would like to know why BlackRock's clients, who are the ultimate owners of the companies BlackRock investing on their behalf, can't vote their shares as they see fit rather than having BlackRock voting on their behalf. Larry, why don't I turn that one over to you?

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

Thank you, Andrew, and thank you for the question. Another very topical and important issue. BlackRock's whole business is founded on the premise of giving our clients choices that help them achieve their goals and we're excited to be extending this philosophy now to voting – to proxy voting. Last fall, we announced a new initiative, which we are the only firm in the world to announce, in which we're using our technology to help make voting choice more accessible for more clients in certain institutional pooled funds.

BlackRock's voting choice initiative is now available to institutional clients with over $2 trillion of index equity assets, including public pension funds serving more than 60 million Americans. We're working to expand choice even further and we're committed to a future where every investor, every individual investor can have the option to participate in proxy voting processes that they choose. Unfortunately, there are significant regulatory and logistic hurdles to achieve this at the moment and we encourage changes in this regulation so we can adopt this across all investors. But we believe this could bring more democracy and more voices to capitalism. Every asset

owner, every investor deserves a right to be heard and we will continue to pursue innovation and to work with other market participants and regulators to help advance our vision towards the reality of democratizing the vote and giving choice to every asset owner.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thanks, Larry. We received a question from [ph] Thomas Guellig (00:57:22) regarding BlackRock's political activities and spending. Specifically, wondering what are BlackRock's expenditures on political candidates or PACs and lobbying groups that we're supporting? So before I turn it over to you, Larry, I'd just like to note that specific information about BlackRock's political activities, our trade associate memberships, et cetera, are published on our website. So with that, Larry, I'll pass it over to you.

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

Thank you, [ph] Thomas, (00:57:52) for that question. We believe that it is an important part of BlackRock's fiduciary duty to our clients to advocate for public policy positions that advocate long-term best interests in our clients, like I talked about earlier, around voting choice, so we can create opportunities like that. Since more than half of the assets we manage for our clients are retirement assets, we, BlackRock, focus especially in policy engagement relating to promoting retirement security for everybody.

We're also focused on the laws that promote sound and transparent financial markets, which are critical to our ability to help our clients achieve their financial goals. Our ability to engage with policymakers and participating in public policy arena is subject to extensive laws and regulations, domestically, internationally, federally, state levels, local levels. And our activities are publicly disclosed, as Andrew mentioned earlier.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thanks, Larry. We received a question from [ph] Peter Katz (00:59:04) asking whether BlackRock would consider a stock split?

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

Very good question, very topical. Thank you, [ph] Peter. (00:59:13) As I mentioned last year as well, I don't see how it creates more value for shareholders. Our focus is making sure we're delivering value to all our shareholders. We do this by investing in our businesses in the most effective and efficient way possible so we can generate durable, long-term growth and profitability and return capital through both in dividends and share repurchases. As you've seen, we repurchased $500 million worth of shares in the first quarter in 2022 and said on our April earnings call that based on capital spending [ph] planned (00:59:45) for the year and subject to market conditions, including the relative value of our stock price, we still anticipate repurchasing at least 375 million of shares per quarter for the balance of the year, consistent with the previous guidance in January.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thanks, Larry. Another shareholder is asking, paraphrase, is BlackRock getting too large? How do you think about growth from here and making sure that your scale remains a benefit?

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

Great question. And I monitor that all the time. And the whole leadership team and the board does monitor issues like that. But the reality is the asset management industry, it's one of the most fragmented industries. And while we are generating industry-leading organic growth, growing our share and serving more clients in more ways than ever before, our share of the overall global financial assets has stayed roughly the same at 2-ish percent over the past decade. What it means is the global capital market is growing dramatically and we're growing it with them. BlackRock grew organically at the fastest rate in our history in 2021. Even at our current size, we generated a record 11% organic base fee growth, and that growth was the most diversified it's ever been.

I believe we have more opportunity to serve our clients or asset owners and lead the industry more than ever before. We remain focused on investing in and executing against our growth strategies, to accelerate growth in iShares, accelerate our growth in private markets, to continue to be a leader in technology through Aladdin by keeping performance or alpha and solutions to our clients and be the global leader in all the areas that our clients expect us to be, whether it is sustainability, infrastructure or new technologies.

At the same time, we're focused on ensuring the size remains a benefit. And I want to underscore a benefit to all our stakeholders. We have strong conviction in our ability to continue to generate differentiated organic growth, because we have built up our platform to help our clients meet their objectives in all markets. And we continue to invest in front and ahead of our clients' evolving needs to embrace new market opportunities.

And I – as I said earlier, even with our scale today, we are winning more share of wallet with more clients than ever before. And so I would clearly state at this moment, scale has been a virtue for BlackRock. And we could – through the scale, we could reinvest in technology, in people, in ideas. We could build out the platform to serve our clients. And our objective is to serve more and more people, so they can have better financial futures.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thank you, Larry. So we have a few questions now that focus on our ESG strategy. So, [ph] Adam Howser's asks (01:03:02), will BlackRock adjust its ESG strategy of states require divestment from firms that boycott energy companies? [ph] Diana Best and JC Bing were also asked (01:03:11), if our commitments to supporting the transition to net zero have changed?

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

Again, we provide investment choice to our clients and our clients choose how to invest their money. As a fiduciary to our clients, BlackRock's role is to help navigate investment risk and opportunities. Our clients have a range of perspective on investing in the energy sector. Many of our clients remain long-term investors in the energy sector because they see these companies playing a critical role in the economy, and they are also – these energy companies are playing a critical role in the energy transition. And most importantly we've always stated that [audio gap] (01:04:01) any transition, a transition has to be fair and just.

And we also said that we need to be working with the energy companies. I also want to say that we have always stated we are against divestiture, because it would be wrong to take these investments out of the public hands into private hands that does not solve the world's net zero position.

As you can see, I'm very passionate about this. We do need a transition. I think the world is moving forward in a transition, but the transition has to be fair and just. We have to be working with the traditional hydrogen – carbon companies working with them, and we have to continue investing in new technology for decarbonization.

So there are some clients who are aligning their portfolios, who are choosing to invest in more decarbonization technology and there are other company – clients who are asking us to invest even more in energy companies to make sure that we have a fair and just transition. So our clients are the ones who are choosing to align their portfolio with their long-term ideals, and the long-term changes in the economy that will anticipate these issues. BlackRock does not have any policies prohibiting or restricting investments in any company because they're energy companies.

In fact, just a few weeks ago, we hosted dinners between the energy companies and the environmental groups where we were the host and having them talk with each other – to each other, not around each other, not behind each other. And we believe the dialogue that BlackRock can create between the environmental groups and their views and the energy companies with what they have to face, we believe that is a significant opportunity for BlackRock.

And I would say to our shareholders, it provides really great opportunities for us to help energy companies on their pathway for decarbonization, their pathways and making sure any transition is fair and just. And importantly, we are a very aggressive investor in new and exciting decarbonization technologies. So BlackRock's role for our asset owners then is to provide data and analytics, investment insight and thought leadership to help our clients understand and navigate the energy transition. And we're committed to that. We're committed to do this in a fair and just way. But the choice of how to [ph] employ it (01:06:39) – to approach the transition is up to every, every asset owner.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thank you, Larry. I think we're going to turn back now to a stewardship-related question. We received a handful of questions from [ph] Moya Burse, Gary Hughes, Jeff Conan and Roshan Krishnan (01:06:56-01:07:01) asking, how is BlackRock [ph] holding companies (01:07:05) accountable for keeping indigenous and other communities safe from rights violations and negative impacts to their ecosystem? I'm going to ask Sandy Boss, actually, to take this question.

Sandra Boss
Senior Managing Director, Global Head-Investment Stewardship & Member-Global Executive Committee, BlackRock, Inc.

A

So, thanks, Andrew, and thank you to our shareholders for the question on this very important issue. Look, the Investment Stewardship team has long engaged with companies on environmental risks and in particular how those environmental risks might impact the communities and individuals in which they are operating.

And so with respect to indigenous rights and human rights, we do see that risk can materialize for companies in a number of ways. And a very important example is, using contested land, infringing on indigenous people's rights that can damage community relationships, can jeopardize access to critical resources that the businesses need for their operations. So there's a mutual benefit in more constructive engagement. The exposure to human rights related risks, that absolutely varies by company and by industry. So that's why we will ask companies to implement processes that they can use to identify, manage and then prevent those adverse human rights impacts. Those are material to their business, and from our perspective as investors, what we value is when companies can provide robust disclosure on those practices. So we understand that companies are taking them seriously and are managing them effectively.

Now, when we believe companies are falling short on these concerns, we as investors, when we are voting on behalf of our clients, may vote at shareholder meetings against management, and as a statement of concern about these issues. We can also and often do engage with companies throughout the year, as Larry mentioned earlier, to discuss these matters with them.

So, look, I encourage all of our shareholders to read more about our approach to these issues. We really endeavor to be as transparent as possible, both in terms of what we think good looks like for companies managing these issues, as well as the actions that we might be taking on behalf of our clients. So you can find our commentaries on human rights impacts that companies may have as well as natural capital impacts that companies may have. Those are on the Investment Stewardship section of our website, blackrock.com.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thank you, Sandy. A few other questions that appear to be focused on stewardship and shareholder proposals [ph] are, Ben Kushnick and Hannah Pourer are (01:09:45) asking, why BlackRock issued a report recently indicating it may support fewer climate-related shareholder proposals?

Larry, I don't know if you'd like to...

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

Yeah. Let me [indiscernible] (01:10:00). Yes. Thank you. Let me respond, but I think that this question is [ph] more appropriate (01:10:06) for Sandy, but it had been over two years now when I first wrote my CEO Letter that climate risk is an investment risk. This view is unchanged. And we continue to see a shift towards more sustainable investing as more and more investors around the world better understand that risk. But investors are constantly also re-evaluating how this – we got to have to make sure that any transition is fair and just.

Importantly, though, our position has not changed, but I do believe – I think the proxy season this year was, I would say, less aggressive in many ways than years before. I would say many, many, many companies are moving faster than they were two years ago, which gives Sandy and her team a little easier time [audio gap] (01:10:57) in terms of assessing these issues. And I do believe with our team's approach of having conversations with these companies throughout the year, not just in proxy season, allows us to better understand how a company is moving forward. Sandy, why don't you carry on?

Sandra Boss
Senior Managing Director, Global Head-Investment Stewardship & Member-Global Executive Committee, BlackRock, Inc.

A

No, thanks, Larry, and thanks also to our shareholders that have asked this question. And look, Larry, I'm going to echo a lot of what you said, but I think it's really important for our shareholders to hear it from the Stewardship team that's actually on the ground engaging with companies and voting. So as we've noted, our team published a short paper that was on May 10 about just – some of our observations about this particular shareholder proposal season and what we were observing as we headed into the peak of the proxy season. I really want to emphasize, as Larry said, we in Stewardship, have exactly the same beliefs, investment conviction on climate risk as we have had before.

Our view is unchanged. Investment conviction is that climate risk is something that is significant for companies to manage, and it's also a significant source of opportunity. So we're continuing to see good disclosure, looking to

companies to provide their Scope 1 and 2 greenhouse gas emissions disclosures, and also to show meaningful short-term, medium-term and long-term targets for how they're going to mitigate those emissions; ideally, science-based targets when they're available for their sector.

Secondly, 2022, we've continued the program of engagement with over 1,000 of the most carbon-intensive companies, which we call our climate universe, really focused on how are they managing their businesses, how are they developing. We've been incredibly encouraged by the progress that many companies have made, that's something that Larry noted. So companies who have substantial plans for how they're going to manage the energy transition, how are they going to mitigate risk, how they're going to benefit by providing new products and new services in this changing world.

And as in prior years, and this is very clear in our voting guidelines, we will be unlikely to support re-election of directors that we'd consider to be responsible for climate risk oversight if we don't see that their companies are making the disclosures and demonstrating the actions that we and many, many other investors are discussing with them.

Now, while that has not changed, something has changed. And this is more of a tactical nature than a long-term strategic nature. And when I say that, it's, first of all, that the nature of the proposals that we're seeing this year have changed. So that's when I say tactical it's we are facing the shareholder proposals that show up on company's balance. And in the US, the SEC has changed the definition of what is a permissible proposal in a manner that has resulted in a marked increase in the environmental and social shareholder proposals that are coming to a vote.

And our assessment and the point of writing the little paper that we did, that many of those proposals are more prescriptive and more constraining on management than in the past years. We also need to acknowledge that right now, we are facing globally a severe energy shortage, and that has been stimulated by and exacerbated by the Russian invasion of Ukraine. And so we recognize that there is therefore a need for investment in both traditional and renewable sources of energy. And that ties to some of the [ph] asks (01:14:43) in the shareholder proposals that we're facing in the climate universe.

And then finally, what we're also noting, and this is particularly true outside the US, is that increasingly large energy companies and financial companies are putting, say, on climate or own management proposals on climate action plans onto their balance, which again enables us as shareholders to be voting on management items and it may change how we choose to use shareholder proposals. So it's ongoing, but I think there is evidence that is already emerging that we're not alone in finding some of these shareholder proposals to be more prescriptive, more binding, and they are in many cases receiving less support than they did last year. But that doesn't change how we see the tool of shareholder proposals. When we see highly effective, well-crafted, well-thought out shareholder proposals that are consistent with the direction that we'd like to see companies going, we are supporting those. We're doing that this year, as we've done last year. And furthermore, all of this we do case by case, focusing on what is in our clients' long-term economic interests. And that is, I think, what we really want to focus here. We're engaging and we're voting on behalf of our clients focused on their long-term economic interests.

These climate proposals are one tool. It's part of a broader stewardship effort, and we feel confident about that long term year in, year out engagement and voting strategy focused on what we believe is a really important risk and opportunity for companies right now.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thanks, Sandy. Larry, we've received a question from [ph] David Pinsky (01:16:30). He would like to know, what is BlackRock's plan to transform its product offerings to address the material risk of climate change? And when will BlackRock offer climate safe investments as the default offering for retail and institutional investors?

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

[ph] David (01:16:47), thank you for that question. As I said repeatedly, and I need to say it again, we provide investment choice to our clients and our clients choose how they invest their money. At this moment, BlackRock is now managing over $500 billion in sustainable AUM, and this is on behalf of our clients at the end of March. That's across active and indexed portfolios, it's across product type. It's in equities, it's in alternatives and fixed income. And we offer a sustainable cash product.

So BlackRock manages a wide variety of investment solutions that combine different funds to help investors achieve those objectives that they wish, and we intend to make sustainable funds of standard building block for those solutions whenever possible, and we are trying to work with the preferences of our companies that we work with and we do – we are in deep conversation with many companies in terms of their defined contribution 401(k) plan that if they choose to make a sustainable strategy their default or a sustainable index is a default, we are working with them. We are – as I said, we provide choice. We are committed in offering these sustainable solutions [ph] and fees (01:18:00) comparable to these traditional solutions and then we have done that, and we continue to see growing client interest around sustainable investing in technology. We will continue to be an important part of BlackRock [ph] strategies always (01:18:13). We're going to provide choice to our clients. We're going to help them think about issues around sustainability and offering sustainable investments in technology for our clients seeking – for those clients who are seeking that active. And [ph] David (01:18:29), I would urge you to think about and study some of the investment opportunities that you can have in investing in some of these BlackRock products.

R. Andrew Dickson
Managing Director & Corporate Secretary, BlackRock, Inc.

A

Thank you, Larry. I think we have time maybe for one last question. We have one here from the [ph] Carpenters Pension Fund (01:18:47) regarding the proposed SEC climate disclosure rule. Yeah. They ask, how do you anticipate BlackRock's Audit Committee and audit firm rules having to evolve to effectively handle the expanding responsibilities that would come with this proposal, I assume if it were made [ph] off (01:19:04).

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

Great question, very timely. I could tell you in our board meeting yesterday, we went over this. We went over it in our last board meeting. So we have our board engaged in this prior to our submission. And so it's too early to determine what the final SEC climate proposal will look like at this time, and we're going to be submitting our final comment letter in the coming – shortly. And once we have more clarity on the final proposal, we'll be able to answer the question with more clarity. But BlackRock's Board of Directors regularly reviews and discusses aspects of BlackRock's climate and sustainability related strategy, including elements of the firm's commitment to be supporting the global goal of net zero emissions by 2050 or sooner. And several of our directors, director nominees including those who sit on the Audit Committee have experience in ESG matters and including through management of these issues senior leadership roles as business imperatives and relationship to long-term strategies. They have the knowledge. They have the experience of the energy sector and we have – this is

another reason why I believe in a very diverse board that we have that expertise on our board. We have that expertise on the hydrocarbon industry and we have that expertise on the investment of new technologies. But I want to be certain that any submission like this is being reviewed by the full board, not just one committee. And ultimately, once we understand what the SEC's directives are, once they're codified, our Audit Committee and our Risk Committee will be taking the appropriate reviews and making sure we are living to the standards that are expected of us from our regulator. And I would just also say we don't – we have additional regulation in the EU, and we're doing the appropriate measures there to making sure that we are managing it to the proper regulatory results that every jurisdiction as of BlackRock on behalf of our asset owners.

R. Andrew Dickson

Managing Director & Corporate Secretary, BlackRock, Inc.

Thank you, Larry. And thank you to all of our shareholders for your questions. In reviewing the remaining questions, I have determined that they concern topics which we have already addressed during the meeting. As I previously mentioned, a transcript of the meeting will be posted to our Investor Relations website later this week.

I will now turn it over to Larry for some closing remarks.

Laurence Douglas Fink

Chairman & Chief Executive Officer, BlackRock, Inc.

I would like to thank all of you for being BlackRock shareholders. We appreciate you joining our virtual annual meeting and thank you to those who submitted questions. I see tremendous opportunity ahead. And BlackRock's focus remains on investing in our people, in the communities where we work and operate, and in our platform as we continue to evolve ahead of our clients' future needs.

In doing so, I believe we are better positioned to serve our clients than any firm in the world today and that indeed will then position us to generate long-term, durable profits for you, our shareholders. Thank you for being our shareholders. Thank you for your commitment to the firm, and I wish you a healthy and safe coming year. Thank you.

Operator: This now concludes the meeting. Thank you for joining and have a pleasant day.