

Climate Action 100+ Sign-on Statement

Background

We, the institutional investors that are signatories to this statement, are aware of the risks climate change presents to our portfolios and asset values in the short, medium and long term. We therefore support the Paris Agreement and the need for the world to transition to a lower carbon economy consistent with a goal of keeping the increase in global average temperature to well below 2 degrees Celsius above pre-industrial levels.

Through this initiative, we aim to fulfill the commitment made in the “2014/15 Global Investor Statement on Climate Change” which stated that “...as institutional investors and consistent with our fiduciary duty to our beneficiaries, we will work with the companies in which we invest to ensure that they are minimizing and disclosing the risks and maximizing the opportunities presented by climate change.”

Commitment

We believe that engaging and working with the companies in which we invest – to communicate the need for greater disclosure around climate change risk and company strategies aligned with the Paris Agreement – is consistent with our fiduciary duty and will contribute to achieving the goals of the Paris Agreement. The initiative aims to secure commitments from the **boards and senior management** to:

Implement a strong governance framework which clearly articulates the board’s accountability and oversight of climate change risk and opportunities.

Take action to reduce greenhouse gas emissions across their value chain, consistent with the Paris Agreement’s goal of limiting global average temperature increase to well below 2 degrees Celsius above pre-industrial levels.

Provide enhanced corporate disclosure in line with the final recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and, when applicable, sector-specific Global Investor Coalition on Climate Change Investor Expectations on Climate Change to enable investors to assess the robustness of companies’ business plans against a range of climate scenarios, including well below 2 degrees Celsius, and improve investment decision-making.

The Global Investor Coalition on Climate Change Investor Expectations on Climate Change sector guides cover oil and gas, mining, utilities and auto manufacturers and provide additional sector specific disclosure recommendations, particularly regarding the oversight of public policy positions.

Working through partner organizations, Asia Investor Group on Climate Change (AIGCC); Ceres; Investor Group on Climate Change (IGCC); Institutional Investors Group on Climate Change (IIGCC); and Principles for Responsible Investment (PRI), we will together monitor the progress that companies make towards these goals. We are committed to working collaboratively through this initiative, using a range of engagement approaches to ensure fulfillment of the abovementioned goals.



January 6, 2020

To the Climate Action 100+ Steering Committee:

BlackRock has been focused on risks associated with climate change for several years now as reflected in our engagement priorities as well as our investment research and the integration of ESG data into our investment platform. BlackRock has been a member of the Task Force for Climate-Related Financial Disclosure (TCFD) since it first convened in January 2016 to establish a reporting framework, and we have engaged with over 300 companies on TCFD disclosure. In addition, we have been active members of several organizations focused on climate change, including: Institutional Investors Group on Climate Change (IIGCC) (since 2004), Ceres Investor Network on Climate Risk & Sustainability (since 2008), Principles for Responsible Investment (PRI) (since 2008), Investor Group on Climate Change (IGCC) (since 2009), and Asian Investor Group on Climate Change (AIGCC) (since its launch in 2016). These organizations, in turn, are active participants in Climate Action 100+. In June, BlackRock joined executives from among the world's leading energy producers and investors for a Vatican-sponsored dialogue on energy transition which culminated in the participants signing statements of support for carbon pricing and disclosures on climate change risk. We believe evidence of the impact of climate risk is building rapidly, we are accelerating our engagement with companies on this critical issue, and we have decided to become a member of Climate Action 100+.

As the world's largest asset manager, BlackRock's engagements with issuers present a unique set of regulatory considerations. These considerations, which are global in nature and evolving, can become even more complex when BlackRock partners with other shareholders. While joining Climate Action 100+ is a natural next step for BlackRock, we must remain vigilant about the legal and regulatory restrictions to which we are subject as described below:

- BlackRock owes fiduciary and contractual duties to its clients. These duties extend to our proxy voting and engagement with issuers on investment stewardship topics, including climate change. As a result, BlackRock must independently exercise its fiduciary duties to our clients in determining how we prioritize engagements and how we will vote proxies. Our fiduciary and contractual duties also extend to our decisions to buy or sell securities of issuers (e.g., due to portfolio management decisions, client redemptions and index rebalancings). This includes securities that are the subject of a Climate Action 100+ engagement.
- Certain types of collective action can have regulatory ramifications. For instance, shareholders of US issuers and ex-US issuers with registered securities in the US, including ADRs, who agree to buy, sell, hold or vote shares together may be deemed to have formed a "group," triggering the aggregation of positions and the imputing of any group member's non-passive investment intent to all other group members. Similarly, shareholders of ex-US issuers who act collectively risk being deemed to be "acting in concert" with each other, triggering the aggregation of positions. While the law in some jurisdictions provides for an exception for collective action aimed at improving the corporate governance and sustainability practices, these exceptions are narrowly



tailored and unavailable when a non-US issuer has registered securities (including ADRs) in the US. BlackRock therefore must exercise its sole discretion in determining which issuers it will engage with, the scope of our participation in Climate Action 100+ engagements, and whether to support shareholder proposals filed by Climate Action 100+ or any of its members. Any participation in Climate Action 100+ engagements or discussions regarding a specific issuer is premised on the understanding that BlackRock is not formally or informally agreeing to buy, sell, hold or vote our shares together with any other Climate Action 100+ signatory or to engage with any specific issuer or set of issuers at the direction of any other Climate Action 100+ signatory. BlackRock's participation in these efforts is also not an agreement to act in concert with any other Climate Action 100+ signatory to acquire or consolidate control over any issuer or its board.

- Should BlackRock participate in a Climate Action 100+ engagement, BlackRock must provide its explicit prior written consent for its name or logo to be used by Climate Action 100+, the Steering Committee or other Climate Action 100+ signatories in public communications. This extends to written or verbal communications with issuers, press releases, media interviews and other announcements. Should BlackRock not be a participant in a Climate Action 100+ engagement, BlackRock's name and logo may not be used in any public communications in a manner designed to give the impression of BlackRock's involvement.
- BlackRock reserves the right to terminate its membership in Climate Action 100+ at any time and for any reason. Should BlackRock do so, its name will promptly be removed from the list of participants on the Climate Action 100+ website and may not be used in any further written or verbal communication of any type.