



February 2, 2024

To the Climate Action 100+ Steering Committee:

We write to you in connection with Climate Action 100+'s announcement in June 2023 that it would be entering into a second phase and evolving its core goals. With this new phase, Climate Action 100+ has said it will be "markedly shifting [its] focus from corporate climate-related disclosure to the implementation of climate transition plans," and asking signatories to commit to using client assets to pursue net zero emissions reductions in investee companies through stewardship engagement. Climate Action 100+ has provided that current signatories will have until June 2024 to sign onto the new phase.

Due to the changes that Climate Action 100+ has made to its strategy, we are transferring our participation in Climate Action 100+ to BlackRock International, and BlackRock, Inc. will no longer be a signatory. The money BlackRock manages is not our own—it belongs to our clients—and BlackRock is committed to providing clients around the world with choices to support their unique and varied investment objectives. Most of our clients who have set net zero targets for their organizations are clients of our international businesses ("BlackRock International").

BlackRock International will only conduct issuer engagements and cast proxy votes consistent with decarbonization investment objectives where clients have instructed us to do so. For those clients, BlackRock is creating a new stewardship option, which will be designed over the coming months. For the rest of our clients who have not made this investment choice, we will continue to undertake our responsibilities with a sole focus on advancing their economic interests. This includes continuing to engage with companies and encourage disclosure on how they manage climate risk, where material to their business model and ability to deliver durable long-term financial returns.

As BlackRock made clear when first joining Climate Action 100+, BlackRock International's participation in Climate Action 100+ remains subject to the legal and regulatory obligations that apply across our firm:<sup>1</sup>

- BlackRock owes contractual and fiduciary duties to our clients and is subject to various antitrust and competition laws across various jurisdictions. Such obligations extend to our investment and stewardship activity. As a result, BlackRock International will continue to exercise its independent judgment in how it prioritizes which companies it engages with and on what topics, and how it votes proxies, as well as in its decisions to buy and sell securities.
- BlackRock is subject to various passivity standards, which require that we do not perform any activity that may be viewed as "activist" under the relevant U.S. laws. Consequently, BlackRock International will not engage in any stewardship activity that, in its judgment, may breach those passivity standards.
- BlackRock International's participation is premised on the understanding that it 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

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<sup>1</sup> Our January 6, 2020 letter to the Climate Action 100+ Steering Committee made clear that we would maintain our independence in acting on behalf of our clients, including in how we prioritize engagements and how we vote proxies. It further described applicable relevant legal and regulatory considerations, and these considerations continue to apply.



Climate Action 100+ signatory. BlackRock International's participation in Climate Action 100+ 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.

- BlackRock International intends to limit its disclosures to Climate Action 100+ regarding its engagement and voting activities to information that is publicly available, including on the BlackRock Investment Stewardship website.

Subject to these conditions, and any others we may subsequently identify, BlackRock International intends to participate in the second phase of Climate Action 100+ as an "individual engager," and BlackRock Group Limited will serve as signatory on behalf of BlackRock International.