1. **How does BlackRock's stance on ESG already affect investment decisions in Brazil?**
   In January, we outlined our investment conviction and path forward for making sustainability our new standard for investing. Globally, our efforts have focused on three key areas: building sustainable and resilient portfolios, increasing access to sustainable investing, and enhancing our stewardship approach. Here are some updates, and how they relate to Brazil:

- More than 70% of the approximately 5,600 active portfolios managed by BlackRock are fully ESG integrated, and we anticipate that all of our active portfolios will be fully ESG integrated by year-end. *This means that, at the portfolio level, our portfolio managers are accountable for appropriately managing exposure to ESG risks and documenting how those considerations affect investment decisions. This includes exposures to Brazilian assets in our emerging markets platform.*

- So far in 2020, iShares has launched 25 new sustainable ETFs this year across the U.S., Europe and Canada. BlackRock's total assets under management (AUM) across its dedicated sustainable investing platform totaled $127.3 billion (as of June 30, 2020) with $9.9 billion in inflows during Q2 2020, bringing 2020 YTD NNB to $20.0 billion. *This includes ETFs with exposure to Brazilian assets, such as the iShares MSCI ESG EM Leaders ETF.*

- BlackRock's Investment Stewardship team has published a series of quarterly and special reports outlining our engagement and voting activities, *including with Brazilian companies*.

2. **What else is on the company's horizon in the ESG area?**
   We plan to continue advancing the initiatives outlined in our January.

3. **What is the company's view of the meat industry operating in the Amazon? How could Brazilian companies show investors that they are free from deforestation in their production chains?**

   We direct you to our commentary on sustainable agriculture, which explains:

> "BlackRock's Investment Stewardship's areas of focus in engagement with agribusiness, and related sectors as relevant, on environmental factors include land use and management, climate risk, greenhouse gas emissions, illegal logging, biodiversity protection and waste and water management.
>
> Our areas of focus on social factors include protecting land rights—particularly those of indigenous peoples, workers' rights, health and safety as well as working conditions, bribery and corruption prevention, humane farming practices, product traceability, and antibiotics in animal raising.
>
> In our engagement, our focus is on board oversight of management practices, operational resilience, and disclosures that help investors understand the risks and opportunities in the business that impact long-term sustainable performance. We aim to understand how the board ensures that management is incorporating sustainable

> agricultural practices into the business, especially amid changing consumer expectations, regulations, and market forces.
>
> Amongst other things, we ask companies to disclose any initiatives and externally developed codes of conduct, e.g. committing to deforestation-free supply chains, to which they adhere and to report on outcomes, ideally
> with some level of independent review. In addition, we ask companies to disclose medium- and long-term targets relevant to their business practices that enable shareholders, and others, to assess operational standards, monitor progress and inform engagements."

BlackRock also contributed to Ceres' investor guide to deforestation and climate change: https://www.ceres.org/resources/reports/investor-guide-deforestation-and-climate-change

We also participated in Ceres' webinar about the guide.

4. **To what extent can the Brazilian economy as a whole suffer from deforestation?**

   Our view is that climate risk is investment risk. In his latest letter to CEOs of the companies in which we invest, our Chairman and CEO explained why:

   > "Climate change has become a defining factor in companies' long-term prospects. Last September, when millions of people took to the streets to demand action on climate change, many of them emphasized the significant and lasting impact that it will have on economic growth and prosperity – a risk that markets to date have been slower to reflect. But awareness is rapidly changing, and I believe we are on the edge of a fundamental reshaping of finance.
   >
   > The evidence on climate risk is compelling investors to reassess core assumptions about modern finance. Research from a wide range of organizations – including the UN's Intergovernmental Panel on Climate Change, the BlackRock Investment Institute, and many others, including new studies from McKinsey on the socioeconomic implications of physical climate risk – is deepening our understanding of how climate risk will impact both our physical world and the global system that finances economic growth."

5. **Recently, Nordea and Storebrand announced their divestment from JBS and Marfrig. BlackRock, despite being one of the most vocal investment managers on ESG, continues to invest millions of dollars in the three main meat producers operating in the Amazon (JBS, Marfrig and Minerva). Why hasn't BlackRock, until now, walked the talk and divested from these companies? Recalling that studies show that two-thirds of areas deforested annually are converted in pasture, and that these companies can't control their production chains (only direct providers, not indirect).**

   It's important to note that over 90% of BlackRock's equity assets under management are in funds that track *third-party indices* to which our clients themselves choose to allocate their assets.

Investment stewardship is an essential component of our fiduciary responsibility. This is particularly important for our index holdings on behalf of clients, in which we are essentially permanent shareholders. We have a responsibility to engage with companies to understand if they are adequately disclosing and managing sustainability-related risks, and to hold them to account through proxy voting if they are not. You can see BlackRock's most recent proxy voting record for these companies here. It's important to note that the ownership structure of many of the companies in the sector, which have a single or small group of affiliated shareholders that control a majority of the shares, also limits the impact of proxy voting by a minority shareholder like BlackRock.

6. **Does BlackRock intend to divest from JBS, Marfrig and Minerva because of their contribution to deforestation? If so, when and from which companies? If not, is there any other approach being taken by BlackRock with these companies, regarding this environmental issue?**

Please refer to the previous question with regard to the nature of our equity investments.

As discussed in our Q3 2019 Americas Quarterly Report, we engaged with five Brazil-based agribusiness companies to discuss their policies and practices on issues specific to operating in the Amazon Basin, such as land use and supply chain management, and to hear their views on the long-term climate-related risks for the agricultural industry associated with accelerated deforestation.

Since those engagements last year, we have continued to closely monitor these companies to assess their operational standards and progress, including implementing their sustainable land use policies.

You can see BlackRock's most recent proxy voting record for these companies here. It's important to note that the ownership structure of many of the companies in the sector, which have a single or small group of affiliated shareholders that control a majority of the shares, also limits the impact of proxy voting by a minority shareholder like BlackRock.