

# BlackRock's 2024 Engagement Priorities

Financial Resilience, Risk and Opportunity in a Changing Environment

By Deno Marcum, Third Economy, January 2024

BlackRock, the world's largest asset manager, has refined its [strategy for engaging with companies in 2024](#). This program, known for its constructive and long-term approach, fosters direct communication between BlackRock and the companies in which its clients invest. Notably, the operating landscape for companies has shifted, shaped by powerful forces driving performance divergence across economies, sectors, and companies. BlackRock is keen to learn how their investees adapt for financial resilience. The viewpoint, [Financial Resilience in a New Economic Regime](#), provides additive details on the current environment.

The program centers on **five key priorities** that integrate ESG commitments with long-term financial value creation, recognizing that effective management and oversight are crucial drivers of both risk and value within a company's business model.

Otherwise, there were no material changes to the program and this year they plan to stress financial resilience as they engage with companies.

Specifically, BlackRock's focus areas include:

- **Direct company engagement:** BlackRock engages directly with companies on these five priorities, promoting sound practices and positive change.
- **Seven thematic commentaries:** BlackRock publishes research and insights on key global trends and their impact on companies, encouraging responsible corporate behavior. These commentaries provide details on the five engagement priorities above.



FIVE PRINCIPLES	SEVEN THEMATIC COMMENTARIES
<p><b>1. Board quality and effectiveness:</b> BlackRock believes that a well-functioning board with direct oversight is essential for a company's long-term success. A company should focus on board composition, diversity, and engagement.</p>	<p>1. <a href="#"><u>Approach to engagement on board quality and effectiveness</u></a></p>
<p><b>2. Strategy, purpose, and financial resilience:</b> BlackRock wants to understand how companies are adapting to the changing economic environment and how their strategies are aligned with their long-term financial goals. There is an interest in a companies' long-term value creation plans and their ability to withstand economic shocks.</p>	<p>2. <a href="#"><u>Approach to engagement on corporate strategy, purpose, and financial resilience</u></a></p>
<p><b>3. Incentives aligned with financial value creation:</b> BlackRock believes that executive compensation should be tied to the company's performance. Engagements focus on ensuring that executive pay plans are aligned with the interests of shareholders.</p>	<p>3. <a href="#"><u>Approach to engagement on Incentives aligned with financial value creation</u></a></p>
<p><b>4. Climate and natural capital:</b> BlackRock wants to understand how companies are managing the risks and opportunities associated with climate change and natural resource use. They are interested in companies' climate transition plans and their commitment to sustainable practices.</p>	<p>4. <a href="#"><u>Climate-related risks and the low-carbon transition</u></a></p> <p>5. <a href="#"><u>Approach to engagement on natural capital</u></a></p>
<p><b>5. Company impacts on people:</b> BlackRock believes that companies should be mindful of their impact on employees, communities, and the environment. They focus on companies' diversity and inclusion practices, their commitment to human rights, and their environmental footprint.</p>	<p>6. <a href="#"><u>Approach to engagement on human capital management</u></a></p> <p>7. <a href="#"><u>Approach to engagement on corporate human rights risks</u></a></p>

## Proxy Voting

BlackRock uses its voting power to hold companies accountable to good governance and sustainable practices. The voting policies were reviewed for 2024 and are largely consistent with previous years.

- BlackRock Investment Stewardship's [Global Principles](#)
- [Regional Proxy Voting Guidelines](#)

The goal behind the engagement program is to better understand how corporate leadership is managing risks and capitalizing on opportunities to help protect and enhance the company's ability to deliver long-term financial returns. This information is vital to the investor.



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