

## **BlackRock's Baseline Screens in Europe, Middle East and Africa**

In EMEA, BlackRock recognises that investors are increasingly using exclusionary screens to avoid exposure to certain companies or sectors that pose reputational risks or are not aligned with their beliefs and values. In order to offer scalable solutions to investors across different asset classes and investment styles, BlackRock has developed a set of exclusionary screens, "BlackRock EMEA Baseline Screens", that seeks to address a majority of our clients' requests for exclusions.

Where the BlackRock EMEA Baseline Screens are applied to a BlackRock managed fund, the Investment Manager will seek to limit and/or exclude direct investment (as applicable) in corporate issuers which, in the opinion of the Investment Manager, have exposure to, or ties with, certain sectors, namely:

1. issuers which are engaged in, or are otherwise exposed to, the production of controversial weapons (including, but not limited to, cluster munitions, biological-chemical, landmines, depleted uranium, blinding laser, non-detectable fragments and/or incendiary weapons);
2. issuers deriving any revenue from direct involvement in the production of nuclear weapons or nuclear weapon components or delivery platforms, or the provision of auxiliary services related to nuclear weapons;
3. issuers which produce firearms and/or small arms ammunition intended for retail to civilians;
4. issuers which derive more than five percent of their revenue from the distribution (wholesale or retail) of firearms and/or small arms ammunition intended for civilian use;
5. issuers deriving more than five percent of their revenue from thermal coal extraction and/or thermal coal-based power generation, with the exception of "green bonds", that are considered to comply with the International Capital Markets Association's Green Bond Principles, from such issuers;
6. issuers deriving more than five percent of their revenue from the production and generation of tar sands (also known as oil sands);
7. issuers which produce tobacco products;
8. issuers which derive more than five percent of their revenue from the production, distribution, retail and supply of tobacco-related products; and
9. issuers which have been deemed to have failed to comply with UN Global Compact Principles (which cover human rights, labour standards, the environment and anticorruption).

To undertake this analysis, the Investment Manager may use data generated internally by the Investment Manager and/or its affiliates or provided by one or more external ESG research providers. Further information about the ESG criteria used by the Investment Manager, including information on how the limits and exclusions (as set out in the above paragraph) are applied, can be obtained from the Investment Manager on request.

Furthermore, each such fund may gain indirect exposure (through, including but not limited to, derivatives and shares or units of collective investment schemes) to issuers with exposures that are inconsistent with the ESG policy used by the Investment Manager as described above. Circumstances in which such indirect exposure may arise include, but are not limited to, where a counterparty to a FDI in which the Fund invests posts collateral which is inconsistent with the Fund's ESG criteria or where a CIS in which the Fund invests does not apply any or the same ESG criteria as the Fund and so provides exposure to securities which are inconsistent with the Fund's ESG criteria.