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Independent Practitioner's Assurance Report

To the Senior Management of BlackRock Financial Management Inc (the "Company") in respect of the description by management of the policies and processes placed in operation over the in-scope investment strategies to address the Operating Principles for Impact Management (the "Impact Principles")

Scope of Assurance and Criteria

We have carried out a limited assurance engagement in respect of the description by management of the policies and processes in place as at 31 December 2022 for the in-scope investment strategies (the "Description") as set out in the Disclosure Statement section of the BlackRock Impact Principles Disclosure Statement, and as repeated in the "BlackRock Response" column of the table in Appendices 1-5.

The criteria are set out in the Senior Management's Statement.

This report is made solely for the use and benefit of Senior Management in connection with Principle 9 of the Impact Principles. While the Description may be informed by the need to satisfy legal or regulatory requirements, our scope of work and our conclusion do not constitute assurance over compliance with those applicable laws and regulations.

The Description comprises BlackRock Financial Management Inc's responses to the nine principles of the Operating Principles for Impact Management (OPIM), as outlined in the Disclosure Statement section of the BlackRock Impact Principles Disclosure Statement, which relate to the following investment strategies:

- BlackRock Emerging Market Debt strategy
- BlackRock Impact Opportunities strategy
- BlackRock Private Equity Partners strategy
- BlackRock China Impact strategy
- BlackRock Mortgage Backed Security strategy

Our Independence and Quality Control

We have complied with the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and which is at least as demanding as the applicable provisions of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics.

We also apply the International Standard on Quality Management (UK) 1 and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Respective responsibilities of Senior Management of the Company and the Independent Practitioner

The Senior Management of the Company are responsible for ensuring that the Company designs, implements, operates and monitors policies and processes to address the Impact Principles. They are also responsible for preparing the Senior Management Statement supported by the Description as set out in the Disclosure Statement section of the BlackRock Impact Principles Disclosure Statement, and as repeated in the "BlackRock Response" column of the table in Appendices 1-5.

Our responsibilities are to undertake a limited assurance engagement and report in connection to the Description in the Disclosure Statement section and as repeated in the "BlackRock Response" column of the table in Appendices 1-5. We report to you whether, based on the results of our work (which is further described in the "Test(s) performed by PwC" column of the table in Appendices 1-5), and the evidence obtained, anything has come to our attention to indicate that the Description is not fairly stated, in all material aspects, in accordance with the criteria set out in the Senior Management's Statement.

Our Approach

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We examined, on a test basis, evidence relevant to assessing the Description. Our procedures are described in the "Test(s) performed by PwC" column of the table in Appendices 1-5.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities over time.

The Impact Principles are principles-based, allowing for the possibility that different organisations will implement a variety of policies and processes to demonstrate their alignment. How management determines that they should respond to those recommendations remains to some extent a matter for their judgement. For that reason, our conclusion does not extend to the adequacy of the Company's policies and processes to achieve alignment with the Impact Principles.

Emphasis of matter

We draw attention to Management's descriptions on Principle 7 (Conduct exits considering the effect on sustained impact) for the Blackrock Impact Opportunities strategy, Blackrock Private Equity Partners strategy and Blackrock Mortgage-Backed Securities ("MBS") strategy, stating there were no exits from investments during the audit period. Our conclusion is not modified in respect of this matter.

Other information

Senior Management is responsible for the other information, comprising the Introduction and Senior Management's Statement of the report. Other information is presented by management to provide additional information and context to the Description. Our conclusion on the Description does not cover such other information and we do not express any form of assurance opinion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with our knowledge obtained in the course of our work. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Intended users and purpose

This report is intended solely for the use of Senior Management solely for the purpose of reporting on the Description by management of the policies and processes in place as at 31 December 2022 for the in-scope investment strategies to address the Impact Principles, in accordance with the terms of our engagement letter dated 13 June 2023.

We permit this report to be disclosed on the BlackRock website[1], to assist senior management in responding to their responsibilities by obtaining an independent assurance report in connection with the Description.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Senior Management and the Company for our work, for this report or for the conclusion we have formed, save where terms have expressly been agreed in writing.

Conclusion

Based on the procedures we have performed, as described in the "Test(s) performed by PwC" column of the table in Appendices 1-5, and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Description has not been fairly stated, in all material respects, in accordance with the criteria set out in the Senior Management's Statement.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants

London

31 October 2023

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[1] *The maintenance and integrity of Blackrock's website is the responsibility of Blackrock; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported OPIM Disclosure Statement or Criteria when presented on Blackrock's website.*

Appendix 1 - BlackRock Impact Emerging Market Debt (EMD) strategy, within BlackRock's Fixed Income business

Principle			BlackRock Response	Test(s) performed by PwC
1	PRINCIPLE 1: Define strategic impact objective(s), consistent with the investment strategy.	(1) The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the United Nations Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. (2) The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; (3) that there is a credible basis for achieving the impact objectives through the investment strategy; and (4) that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.	The BlackRock Emerging Market Impact Bond combines a proven EM credit research process and BlackRock's proprietary Green, Social and Sustainability ("GSS") framework to create a concentrated portfolio that has the potential to produce attractive long-term returns whilst also being consistent with the United Nations Sustainable Development Goals ("SDGs"). The strategy seeks to generate positive, measurable social and/or environmental impact alongside financial return by investing at least 80% of its total assets in GSS bonds issued by EM governments and companies. The investment universe of GSS bonds is internally created, screening bonds using BlackRock's proprietary taxonomy. Assessment of the GSS bonds is part of the investment process, including qualitative assessment at issuance, monitoring of proceeds use annually or bi-annually, engagement with relevant issuers as necessary and deep dive by the credit research team. Additionally, our aim is to contribute to the development of the EM GSS bond market by encouraging new issues of GSS bonds and helping to provide the capital needed to drive sustainable growth. We accomplish this through our participation in the executive committee of the ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, and through our engagement, when necessary, with issuers on their frameworks and bond issuances. The remaining up to 20% would consist of holdings that either qualify as sustainable investments under BlackRock's SFDR methodology or are investments that would be used for hedging and liquidity, such as cash, cash equivalents, FX swaps, etc.	Inspected the Prospectus to confirm that the objective of the BlackRock Impact Emerging Market Debt (EMD) strategy was to invest in qualifying green bonds selected for inclusion according to BlackRock's proprietary Green, Social and Sustainability ("GSS") framework. Inspected the GSS framework to confirm that it is aligned with the United Nations Sustainable Development Goals. For a sample of investments held in EMD strategy, confirmed via inspection that they were included in the GSS universe. Inspected the fund's holdings to confirm that it invests at least 80% of its assets in GSS bonds issued by EM governments and companies. Inspected the GSS bonds universe to confirm that it is screened using BlackRock's proprietary taxonomy. For a sample of GSS bonds held, inspected evidence to confirm that an assessment was undertaken at the issuance stage which included a qualitative assessment. For a sample of GSS bonds held, inspected evidence to confirm that monitoring of proceeds took place on an annual or bi-annual basis, engagement was undertaken with the issuer as necessary, and a deep dive was undertaken by the credit research team. Inspected evidence to confirm that BlackRock participates in the executive committee of the ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines. Inspected the fund's holdings to confirm that it invests no more than 20% in holdings that either qualify as sustainable investments under BlackRock's SFDR

				methodology or are investments that would be used for hedging and liquidity, such as cash, cash equivalents, FX swaps, etc.

2	PRINCIPLE 2: Manage strategic impact on a portfolio basis.	(1) The Manager shall have a process to manage impact achievement on a portfolio basis. (2) The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. (3) As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.	The BlackRock Global Fixed Income ("GFI") ESG Investment team monitors achievement of impact of GSS bonds, which is a crucial part of the ongoing investment management of the portfolio. First, the investment team analyses how issuers use the proceeds of capital raised, as well as how the issuers align with the Green Bond Principles ("GBP"), Social Bond Principles ("SBP"), and Sustainability Bond Guidelines ("SBG") of the International Capital Markets Association to determine suitability within the investment universe. As a result, we omit GSS bonds that lack transparency, or if we are not convinced that the projects financed will lead to genuine environmental or social benefits. Our GSS process excludes approximately 28% of the universe (as of 31 January 2023). The second stage of diligence is annual engagement with each issuer BlackRock holds, which incorporates the assessment on whether use of proceeds is being adhered to as well as collecting quantifiable impact metrics on the projects funded. All green and social bonds must report the environmental and social metrics of the projects funded by their proceeds on an annual basis. Historically, it has been challenging to capture the aggregated impact from multiple green bond holdings, as reporting is not standardized, and projects may fund improvements across multiple metrics. BlackRock has created a portfolio level impact reporting for green bonds, helping investors to track and understand the tangible impact of an investment. GFI ESG Investment Team reaches out to each issuer held in the strategy directly to help ensure that we have a comprehensive picture of impact reporting provided for the investment included in the strategy. That data is collected, cleaned, categorized, and stored in our BlackRock Aladdin system, enabling us to correctly assign the appropriate impact for any certain holding size in the strategy. The metrics include but not limited to	For a sample of issuers, inspected evidence to confirm that the investment team have analysed the use of proceeds as well as how the issuers align with the Green Bond Principles ("GBP"), Social Bond Principles ("SBP"), and Sustainability Bond Guidelines ("SBG") of the International Capital Markets Association. Inspected evidence to confirm that the GSS process excludes approximately 28% of the universe as at 31 January 2023. For a sample of investments, inspect evidence of annual engagement with the issuer to confirm that an assessment was made on whether use of proceeds is being adhered to as well as collecting quantifiable impact metrics on the projects funded. For a sample of green and social bonds, inspected the annual report to confirm that the environmental and social metrics of the project funded by the proceeds were tracked. Inspect the Blackrock portfolio level impact reporting for green bonds to confirm it was created to track impact of investments. For a sample of issuers, inspected evidence to confirm that the GFI ESG Investment Team has reached out to them to ensure that they have a comprehensive picture of impact reporting provided for the investment included in the strategy. Observed the BlackRock Aladdin system to confirm that it contains data on impact of holdings including carbon emissions avoided, renewable capacity installed and energy savings. Inspected evidence to confirm that BlackRock is represented on the Impact Reporting working group at the ICMA Green Bond Principles.

			carbon emissions avoided, renewable capacity installed and energy savings. On social and sustainability bonds, as these are nascent markets, we are seeing the first wave of impact reports from social and sustainability bonds. We push for higher quality impact reporting from issuers, and when necessary, we engage with them to clarify the provided impact reporting. We also participate and provide guidance in publishing ICMA's harmonized framework for impact reporting https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Handbook-Harmonized-Framework-for-Impact-Reporting-December-2020-151220.pdf. We are represented on the Impact Reporting working group at the ICMA Green Bond Principles, which offers guidelines for general core principles and recommendations for reporting in order to provide issuers with a reference as they develop their own reporting. For all holdings in the portfolio, we assess the alignment with the United Nations Sustainable Development Goals. We also apply the Impact Management Project's Five Dimensions framework and evaluate each dimension: What, Who, How Much, Contribution, and Risk. External industry frameworks enable us to provide clients with a robust and transparent approach to managing impact on a portfolio basis. BlackRock has a well-defined pay for performance philosophy and compensation program that encompasses various factors. One principle that all BlackRock employees are expected to uphold is the "commitment to a better future." This principle emphasizes the importance of advocating for sustainable and responsible business practices that drive long-term value when investing in issuers. While there is no explicit assignment of a specific percentage of compensation tied to the quantified level of impact achieved, sustainability is taken into	Inspected relevant communication to confirm that BlackRock engaged with issuers to push for higher quality impact reporting metrics. For a sample of holdings in the portfolio, inspect evidence that alignment with the UN SDGs was assessed. For a sample of holdings in the portfolio, inspected evidence of application of the Impact Management Project's Five Dimensions framework.

			account when evaluating individual performance, and discretionary compensation includes a multiyear structure, incentivizing teams on long-term goals. Finally, recognizing that a team's strength lies in the collective effort of its members, individual remuneration is also influenced by the overall multiyear performance of the team.	

3	PRINCIPLE 3: Establish the Manager's contribution to the achievement of impact.	(1) The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial channels (e.g., improving cost of capital, specific financial structuring, offering innovative finance instruments) and/or non-financial channels (e.g., active shareholder engagement, assisting with resource mobilization, providing technical advice or capacity building, helping investees meet higher operational standards). (2) The narrative should be stated in clear terms and supported, as much as possible, by evidence.	The launch of the Emerging Markets Impact Bond strategy leverages the research, dedicated GSS bond evaluation, capital markets capabilities within the BlackRock ecosystem to dedicate pools of capital towards credible GSS bond investments. GSS bonds have inherent impact attributes that are aligned with sustainable development, particularly in emerging markets. GSS bonds are designed to raise capital specifically for projects that contribute to environmental sustainability and social progress. In emerging markets, where there may be a substantial gap in achieving the SDGs, GSS bonds play a crucial role in mobilizing funds to address these pressing challenges. By financing projects aligned with the SDGs, such as renewable energy, affordable housing, education, or healthcare, EM GSS bonds directly contribute to closing the SDG gap. Investor contribution to the achievement of impact is accomplished through close collaboration with the GFI ESG Investment, Capital Markets and Stewardship teams though the following activities: • Participation and leadership in GSS bond market • Creation of BlackRock's proprietary taxonomy for GSS bonds • Engagement with issuers to share best-practices BlackRock has played a leadership role in the early development and continued growth of GSS bond market. As a founding member of the Green and Social Bond Principles and as a member of its Executive Committee since its inception, we meet regularly with issuers, underwriters, and public regulators to support the standards, integrity, and growth of green and social bonds as an asset category. To further support the integrity and growth in the green and social bonds market, we recognize the need for measurability and have developed a proprietary green and social bond taxonomies,	Inspected the GSS framework to confirm that it is aligned with the United Nations Sustainable Development Goals. Inspected evidence of participation and leadership in the GSS bond market. Inspected the GSS bonds universe to confirm that it is screened using BlackRock's proprietary taxonomy. Inspected evidence of engagement with issuers to share best practices. Inspected evidence to confirm that BlackRock is a founding member of the Green and Social Bond Principles and is a member of its Executive Committee since its inception. Inspected evidence of meeting regularly (at least once a year) with issuers, underwriters, and public regulators. Inspected evidence to confirm BlackRock have developed a proprietary green and social bond taxonomies, based on the bond's intended use of proceeds, associated environmental benefits, and its issuers' ongoing commitment to allocation and impact reporting. For a sample of investments, obtain annual reports to check that the use of proceeds matched the intended use. Inspected evidence to confirm BlackRock have built and actively maintain a BlackRock labelled and shaded green, social and sustainability bond universe. For a sample of bonds held, obtained evidence of engagement with the issuer before launch. Inspected evidence to confirm that BlackRock has continuously engaged directly with issuers if disclosure was not sufficient.

			based on the bond's intended use of proceeds, associated environmental benefits, and its issuers' ongoing commitment to allocation and impact reporting. We have built and actively maintain a BlackRock labelled and shaded green, social and sustainability bond universe and readily share our shading taxonomy with issuers and underwriters. When we deem necessary, we engage with issuers before the bond launch, we seek to provide valuable insights, guidance, and expertise to help shape the bond framework. This proactive involvement increases the likelihood of a successful issuance by ensuring that the bond aligns with market expectations, meets investor criteria, and effectively communicates the intended use of proceeds and impact goals. Through engagement, we seek to foster alignment between the issuer's sustainability objectives and investor expectations. By providing input on the bond's structure, reporting requirements, and allocation of funds, we can help ensure that the bond aligns with industry best practices and delivers on its sustainability commitments. While indirectly, this alignment enhances credibility and increases investor confidence, over the long-term, potentially leading to a broader investor base and lower borrowing costs for the issuer. Lastly, we continuously engage directly with issuers if we feel disclosure is not sufficient – when issuers launch their green, social and sustainability bond frameworks, when issuers are actively marketing new green, social and sustainability bonds, and post-launch ongoing engagement on their flow-of-funds and allocation reporting. We use our taxonomy for constant monitoring, and we divest when we are not satisfied. That incentivizes issuers to keep up the best practices.	

4	PRINCIPLE 4: Assess the expected impact of each investment, based on a systematic approach.	(1) For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? (2) The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. (3) The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. (4) Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.	The FI ESG Investment Team evaluates all Green, Social and Sustainability bonds at issuance by implementing a due diligence on projects funded by the proceeds of bonds. To qualify as a green, social or sustainability bond eligible for investment by the strategy, the issuer must align with the BlackRock's proprietary taxonomy. BlackRock has developed a shading system that scores green and social bonds according to the impact of the proceeds: the proprietary green bond taxonomy determines the likelihood of green projects to put the world on a long-term path towards a zero-carbon economy; the proprietary social bond taxonomy determines the likelihood of social projects to address/mitigate a specific social issue and can quantifiably result in positive social outcomes, with well-defined target populations and specific to context of local and/or global social environments. Our due diligence on GSS bonds happens at (i) issuance, where we provide a write up on the bond and/or the green/social project, (ii) on an annual basis, where we engage with each issuer BlackRock holds and evaluate the quantifiable impact metrics on the projects funded and (iii) we closely monitor holdings that receive low ESG scores/controversy indicators, which involves a deep dive by our credit research team and engagement efforts. In addition to the above, external frameworks such as the IMP's five dimensions and standards such as EU Taxonomy on Sustainable Finance help us assess the expected impact of each investment within the portfolio.	For a sample of bonds within the portfolio, inspected evidence that the issuer has aligned with BlackRock's proprietary taxonomy. Inspected BlackRock's shading system to confirm that it scores green and social bonds according to the impact of proceeds. For a sample of new GSS bonds, inspected write-up to confirm due diligence took place at issuance. For a sample of GSS bonds, inspected evidence to confirm that a due diligence process took place on an annual basis where quantifiable impact metrics on the projects funded where evaluated. For a sample of GSS bonds with low ESG scores/controversy indicators, inspected evidence to confirm that BlackRock has closely monitored the holding including a deep dive by the credit research team and engagement efforts. Inspect evidence that BlackRock has utilised external frameworks such as the IMP's five dimensions and standards such as EU Taxonomy on Sustainable Finance to assess the expected impact of each investment within the portfolio.

5	PRINCIPLE 5: Assess, address, monitor, and manage potential negative impacts of each investment.	(1) For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. (2) Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. (3) As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.	The BlackRock Emerging Market Impact Bond strategy integrates the Environmental, Social and Governance (ESG) considerations in the investment philosophy and process. The team has a rigorous and systematic approach to reviewing ESG risks at an industry, company and country level. Our global presence and on-the-ground research provides valuable information to further assess quantitative data provided by third parties. Our investment process includes the evaluation of negative externalities, which is a vital consideration for the Impact Bond portfolio. We evaluate the negative impact through the IMP's risk dimension where we incorporate ESG analytics of the credit issuers based on our ESG score card. There are two areas that the Investment Manager and GFI ESG Investment Team focus on when evaluating the negative impacts of investments in the green, social and sustainability bond space. The first is around the "ringfenced use of proceeds". BlackRock is keen that the use of proceeds from a GSS bond follows globally accepted norms around Do No Significant Harm ("DNSH"), whether that is environmental or social. For the non-GSS portion, which can make up to 20% of the portfolio allocation, we apply stringent DNSH criteria. Furthermore, the strategy has explicit exclusion criteria in categories, including controversial weapons, tobacco producers, oil & gas and UN Global Compact violators. The 20% would consist of holdings that either qualify as sustainable investments under BlackRock's SFDR methodology or are investments that would be used for hedging and liquidity, such as cash, cash equivalents, FX swaps, etc. In addition to the monitoring of "Use of Proceeds", BlackRock also engages with issuers holistically. As a significant manager of fixed income assets, we are careful to ensure that our impact in the broad fixed	For a sample of GSS bond issuers, inspected BlackRock's approach to reviewing ESG risks at an industry, company, and country level to confirm that the approach is in place. For a sample of GSS bond issuers, inspected evidence to confirm that negative externalities have been evaluated as part of the investment process. For a sample of GSS bond issuers, inspected evidence to confirm that the use of proceeds has been evaluated to confirm that they do no significant harm. For a sample of non-GSS holdings, inspected evidence to confirm that they qualify either as sustainable investments under BlackRock's SFDR methodology or are investments that would be used for hedging and liquidity, such as cash, cash equivalents, FX swaps. For a sample of non-GSS holdings, inspected evidence to confirm that they did not pertain to exclusion criteria including controversial weapons, tobacco producers, oil & gas and UN Global Compact violators. Inspected the organisational chart to verify that BlackRock has a dedicated investment stewardship team who have regional presence across different offices as well as multiple voting markets.

			income market ecosystem is consistent with our sustainable objectives, driving positive change, maintaining or promoting high standards and best practice. We have a dedicated investment stewardship team in the industry who have regional presence and local expertise covering multiple voting markets across the globe. This globally coordinated team enables us to better understand the context within which a company is operating. We engage companies on such topics as climate and natural capital, human capital and human rights, and inclusion and diversity amongst others. BlackRock's infrastructure around engagement means that the Investment Manager and FI ESG Investment Team can address/manage any potential negative impacts of each investment within the portfolio.	

6	PRINCIPLE 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately.	(1) The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. (2) When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. (3) The Manager shall also seek to use the results framework to capture investment outcomes (i.e., short-term and medium-term effects of an investment's outputs, which are the products, capital goods, and services).	FI ESG Investment Team has a stringent due diligence process, which takes places from the point of issuance until maturity of the bond (outlined in Principle 4). At issuance, issuers must report on eligible projects or state its commitment to report within 12-24 months post issuance. Reporting will be monitored, and bonds can be removed if the issuer fails to report. In 2022, no bonds were removed from the portfolio due to insufficient/delayed reporting. An eligible GSS bond's prospectus or supporting documentation (such as a green social and sustainability bond framework) must clearly identify the specific criteria and process for determining eligible projects or investments, and a formal process to ring-fence net proceeds must be disclosed. This ensures a dual tracking of allocation and impact reporting follow up. The team evaluates impact by assessing projects that are being funded and whether the proceeds are in line with the Green/Social Bond Principles. The due diligence process involves a detailed write up on the issue and the green/social project, which is being funded. Notes on GSS bond issues are stored in Aladdin Research and maintained following the annual reviews. Our annual review includes a collection and review of publicly disclosed impact and allocation reporting or related documentation provided on the issuers' website. We will review the reporting and conduct follow ups with issuers as necessary. On the credit issuer side, our investment management team creates and maintains a credit and an ESG scorecard for each issuer the portfolio is invested in. If the existing holdings of GSS bond issue no longer meets BlackRock's internal taxonomy guidelines, the FI ESG Investment Team will engage with the issuer to understand the changes and may advise the Investment Manager to disinvest from the issue as it is no longer eligible investment for the strategy. Existing holdings of securities that become ineligible under the	For a sample of issuers, inspected evidence that they have reported on eligible projects within 12-24 months from issuance. As there were no bonds which were removed from the portfolio due to insufficient/delayed reporting in the year to 31 December 2022, confirmed through inquiry that those issuers would be considered for removal. For a sample of eligible GSS bonds, inspected the prospectus or supporting documentation, to confirm that it clearly identifies the specific criteria and process for determining eligible projects or investments, and a formal process to ring-fence net proceeds is disclosed. For a sample of issuers, inspected evidence to confirm that an annual review including collection and review of publicly disclosed impact and allocation reporting was reviewed and followed up with issuers as necessary. For a sample of issuers, inspected the credit and ESG scorecard to confirm that it is updated on an annual basis. As there were no bonds which were removed from the portfolio due to ineligibility under BlackRock's GSS Framework, confirmed through inquiry that the FI ESG Investment Team would engage with the issuer and would advise the Investment Manager to disinvest if no longer eligible for investment for the strategy within a maximum sell down period of 3 months.

			BlackRock GSS Framework should be sold as soon as practicable. If a sale at time of notification is not deemed in the best interests of investors, e.g., from a liquidity perspective, then a maximum sell down period of 3 months can be applied. In 2022, no bonds were removed from the portfolio due to ineligibility under BlackRock's GSS Framework.	
7	PRINCIPLE 7: Conduct exits considering the effect on sustained impact.	When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.	The Emerging Markets Impact Bond strategy generally applies a “buy and hold” strategy, reflecting our commitment to make an impact over a long-term horizon. However, if the bond no longer meets the required criteria such as the BlackRock internal taxonomy for the GSS bonds or the criteria for the non-GSS bonds, the Investment Manager may be required to exit out of the position. When exiting a position, we aim to continue engagement, where necessary and appropriate, in order to enhance its impact through our best practice recommendations and the issue/issuer may be considered to re-enter the universe if it becomes eligible.	Inspected the portfolio holdings to confirm that no bonds are included which no longer meet the required criteria such as the BlackRock internal taxonomy for the GSS bonds or the criteria for the non-GSS bonds. For a sample of bonds which have been exited, inspected evidence to confirm that BlackRock has continued engagement with the issuer through best practice recommendations, where necessary and appropriate.
8	PRINCIPLE 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.	The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.	FI ESG Investment Team reviews the strategy’s current and potential holdings in regular discussions with the Investment Manager. In addition, FI ESG Investment Team completes an annual assessment of the review and reporting processes and adjusts the internal processes and reporting to further align with ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, and ICMA Harmonized Framework for impact reporting.	For a sample of investments, inspected evidence to confirm that bond's impact metrics was reviewed annually. Inspected the annual assessment of reporting processes to confirm that internal processes and reporting were adjusted to align with industry standard.

9	PRINCIPLE 9: Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.	The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.	Robust impact management processes are an essential component of BlackRock's impact investing strategies and we commit to annually disclosing on our alignment with the Operating Principles for Impact Management going forward. BlackRock will be completing external verification on a regular cadence and publishing the conclusion of the verifier's assessment. The selection of an external verifier was completed in 2021, the first verification was published in 2022, and the second verification was published in 2023. We will continue to have an external verifier review impact strategies in 2024.	n/a

Appendix 2 - BlackRock Impact Opportunities ('BIO') strategy, within BlackRock's Alternative business

Principle			BlackRock Response	Test(s) performed by PwC
1	PRINCIPLE 1: Define strategic impact objective(s), consistent with the investment strategy.	(1) The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the United Nations Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. (2) The Manager shall seek to ensure that the impact objectives and investment strategy are consistent;	The BlackRock Impact Opportunities strategy's ("BIO") return-seeking strategy includes a focused impact objective to accelerate the economic outcomes of undercapitalized racial and ethnic communities in the U.S. by providing capital to businesses or projects that are either (i) led, owned, operated or managed by individuals who are Black, Latinx, or Native American ("Focus Communities") or (ii) located in or serve one or more communities, the majority of whose population are members of one or more Focus Communities. The BIO Impact Framework primarily references the Impact Management Project's Five Dimensions of Impact (the "IMP Framework") and The Global Impact Investing Network's ("GIIN") IRIS+ catalogue of metrics (the "GIIN Metrics").	Inspected the Private Placement Memorandum to confirm that the investment strategy of the portfolio is to invest in businesses or projects which are either (i) led, owned, operated or managed by individuals who are Black, Latinx, or Native American ("Focus Communities") or (ii) located in or serve one or more communities, the majority of whose population are members of one or more Focus Communities.

		(3) that there is a credible basis for achieving the impact objectives through the investment strategy; and (4) that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.	Systemic barriers to wealth creation have prevented diverse business leaders and communities from driving economic growth and creating wealth. In recognition of the persistent inequities embedded in financial markets and the significant untapped market potential, the BIO Fund was created to uncover previously untapped opportunities, demonstrate the growth potential of these markets, and in so doing be a leader in changing the way that capital flows to undercapitalized communities. Core Impact Investment Eligibility Criteria: As noted above, the strategy's Impact Objective is to accelerate the economic outcomes of undercapitalized racial and ethnic communities in the U.S. Investments must meet one of the following two criteria: (i) Investments in businesses or projects that are led by individuals from our Focus Communities as defined by: businesses or projects where the founder or CEO self-identifies as Black, Native American or Latinx ; or businesses or projects that are majority owned, majority controlled or majority managed by self-identified members of a Focus Community; or (ii) Investments in businesses or projects that are located in or serve our Focus Communities: Investment is located in or serves one or more communities, the majority of whose population are members of one or more Focus Community, which may include, but is not limited to: businesses headquartered or projects located in areas with greater than 50% Focus Community populations; or businesses or projects that provide services to Focus Communities. Meeting at least one of the Core Impact Investment Eligibility Criteria is necessary for an investment to be considered but is not alone sufficient to satisfy the Impact Objective. Beyond this we have constructed an integrated impact framework to identify, diligence and document how each potential investment achieves the Investment Objective and Impact Objective.	Inspected the impact report for the year ended 31 December 2022 to confirm that holdings in the portfolio were in line with the investment strategy. Inspected the BIO Impact Framework to confirm that the framework is in place for the strategy. Inspected the BIO Impact Framework to confirm that the core impact eligibility criteria were contained within the strategy's Impact objective. For a sample of investments, obtained evidence of the due diligence performed to support the assertion that one of the eligibility criteria was met i.e. (i) either the investment was led by individuals from the Focus communities or (ii) the investment was located in or served the Focus communities. For a sample of investments, obtained the integrated impact framework used to identify, diligence and document how each potential investment achieves the Investment Objective and Impact Objective.

2	PRINCIPLE 2: Manage strategic impact on a portfolio basis.	(1) The Manager shall have a process to manage impact achievement on a portfolio basis. (2) The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. (3) As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.	The BIO strategy has identified several impact themes and pathways aligned with its stated objective of accelerating the economic outcomes of undercapitalized racial and ethnic communities in the U.S. A non-exhaustive selection of these themes is listed below: • Housing: Increasing the supply of and access to housing for undercapitalized racial and ethnic communities. • Financial Inclusion: Increasing access to capital and financial services for undercapitalized minority households and businesses. • Education & Workforce Development: Improving access to, participation in, and affordability of high-quality education for undercapitalized racial and ethnic communities. Investments in training programs and solutions that provide existing and potential undercapitalized racial and ethnic workers to obtain quality jobs. • Inclusive Transition: Mitigating the disproportionate impact a net-zero transition might have on undercapitalized racial and ethnic communities. • Healthcare: Financing healthcare solutions targeting Black, Latinx and Native American populations, and providing capital to healthcare organizations serving undercapitalized racial and ethnic communities • Infrastructure & Digital Connectivity: Investments that provide core infrastructure and/or promote digital connectivity serving undercapitalized racial and ethnic communities. During evaluation, each potential investment is mapped to one or more impact themes consistent with the identified impact thesis. BIO's impact thesis framework has been designed utilizing the IMP Framework to evaluate whether and how each proposed investment advances the Impact Objective.  Once approved by BIO's investment committee, each investment is monitored for adherence to the Investment Objective and Impact Objective. The investment level impact measurement is	Inspected the BIO Impact Thesis Framework to confirm that it has identified several impact themes aligned with its stated objectives. For a sample of investments, inspected evidence to confirm that each investment made was evaluated on the basis of impact themes. For a sample of investments, inspected evidence to confirm that an assessment has been concluded as to whether the proposed investment advances the Impact Objectives. For a sample of investments, inspected meeting minutes to confirm that the investment was approved by the BIO Investment Committee. For a sample of investments, inspected evidence to confirm that the investment was monitored for adherence to the Investment Objective and the Impact Objective. Inspected evidence to confirm that the investment level impact measurement was aggregated across the various themes and the consolidated impact at a portfolio level was reviewed on an annual basis. For a sample of quarters, inspect minutes of the Investment Committee meetings where the BIO portfolio was reviewed. Inspected the minutes to confirm that individual portfolio investment performance and impact KPI was reviewed. Inspected the Annual Impact Report to confirm it included portfolio level impact

			also aggregated up across the various themes to review the consolidated impact at a portfolio level on an annual basis. The BIO portfolio is reviewed on at least a quarterly basis with relevant investment committees. BIO quarterly reviews will include, among other things, individual investment performance review and impact KPI review. Additionally, the strategy produces an Annual Impact Report, including portfolio level impact management, as well as detailed impact KPIs for each investment that is shared with investors.	management, as well as detailed KPIs for each investment. Inspected evidence to confirm that the annual impact tracking report was shared with investors. Confirmed via inquiry that Blackrock has a well-defined pay for performance philosophy and compensation program which considers multiple factors including, but not limited to, financial, operational, and sustainability adjusted performance. For a sample of one investment with management pay linked to impact metrics, inspected the terms sheet to confirm that impact metrics were considered as part of the bonus award.
3	PRINCIPLE 3: Establish the Manager's contribution to the achievement of impact.	(1) The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial channels (e.g., improving cost of capital, specific financial structuring, offering innovative finance instruments) and/or non-financial channels (e.g., active shareholder engagement, assisting with resource mobilization, providing technical advice or capacity building, helping investees meet higher operational standards). (2) The narrative should be stated in clear terms and supported, as much as possible, by evidence.	The BIO strategy is focused on accelerating the wealth of U.S.-based ethnic minorities, with a focus on Black, Latinx and Native American groups. We intend to primarily contribute to this impact objective through financial channels (e.g. improving the cost of capital, special financial structuring, offering innovative finance instruments) but will also be looking to holistically partner with business/project owners and communities through non-financial channels (active engagement with company/project leadership, promotion of diversity within organizations, advancement of job quality, etc.). Financial Channels – Overview As outlined above, investments must meet one of the following two criteria: (iii) Investments in businesses or projects that are led by Focus Communities: Investment is led, owned, operated or managed by one or more members of the Focus Communities, which may include, but is not limited to: businesses or projects where the founder or CEO self-identifies as a member of a Focus Community; or businesses or projects that are majority owned, majority controlled or majority managed by self-identified members of a Focus Community; or	Inspected the BIO Impact Framework to confirm that the core impact eligibility criteria were contained within the strategy's Impact objective. For a sample of investments, obtained evidence of the due diligence performed to support the assertion that one of the eligibility criteria was met i.e. (i) either the investment was led by individuals from the Focus communities or (ii) the investment was located in or served the Focus communities. For a sample of investments, inspected evidence such as board meeting materials and due diligence documentation to confirm that BlackRock actively tracks diversity metrics and takes action where appropriate to influence racial diversity in

			(iv) Investments in businesses or projects that are located in or serve Focus Communities: Investment is located in or serves one or more communities the majority of whose population are members of one or more Focus Communities, which may include, but is not limited to: businesses headquartered or projects located in areas with greater than 50% Black, Latinx or Native American populations; or businesses or projects that provide services to Focus Communities. Further, each portfolio investment must be explicitly tied to the strategy's overarching impact objective of accelerating the wealth of minorities in the United States. Non-Financial Channels – Overview As mentioned above, the BIO strategy will also seek to have impact through non-financial channels. (i) Value creation: The BIO strategy intends to encourage its portfolio companies advance racial diversity in senior management and board positions, specifically for US historically disadvantaged Black, Latinx, and Native American people. In addition, the BIO strategy intends to help its portfolio companies advance job quality in areas like pay/benefits, predictable schedules, on-the-job training, security/safety, pathways to achievement, career growth, recognition, and employee engagement. (ii) Amplify systems impact: the BIO strategy seeks to amplify the work of its portfolio companies and bring greater visibility to the market. The BIO strategy hopes to serve as a catalyst for broader market interest in its impact objective through co-investments and inspire further capital inflow to these critical impact themes.	senior management and board positions, and job quality. For a sample of projects, inspected evidence to confirm that Blackrock has performed an assessment of companies within its BIO portfolio against accepted corporate governance standards.
4	PRINCIPLE 4: Assess the expected impact of each investment, based on a systematic approach.	(1) For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the	BIO's singular impact objective is to accelerate positive economic outcomes and create collective wealth for undercapitalized racial and ethnic groups, with particular focus on Black, Latinx, and Native American communities in the United States. BIO's impact framework has been designed on the basis of the Impact Management Project's Five Dimensions of Impact (the "IMP Framework") to evaluate whether and how each proposed investment advances the impact objective. During the due diligence process, the expected impact of the investment is	Inspected the Private Placement Memorandum to confirm that the BIO impact objective was to accelerate positive economic outcomes for undercapitalized racial and ethnic groups, with particular focus on Black, Latinx, and Native American communities in the United States.

		intended impact? (3) How significant is the intended impact? (2) The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. (3) The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. (4) Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.	rigorously assessed through a results measurement framework that includes the nature of expected impact, parameters for measurement, likelihood of achieving the investment's expected impact, and the identification of risks to delivering impact with proposed mitigation strategies. The team also considers opportunities to increase the impact of the investment. Where possible and relevant, we may also consider indirect and systemic impacts. In conjunction with leading external impact advisors, the deal team identifies key performance indicators ("KPIs") for each investment that corresponds to the strategy's Impact Objective, and the metrics would be monitored throughout the life of each investment to ensure rigor around contribution and additionality. In selecting KPIs for each investment, BIO consults with established measurement frameworks such as The Global Impact Investing Network's IRIS+ catalogue of metrics (the "GIIN Metrics"). The BIO strategy publishes an impact report to document and share progress with Limited Partners on an annual basis.	Inspected the BIO Impact Framework to confirm that the framework is in place for the strategy. For a sample of investments, inspected evidence of the due diligence process documentation to confirm that the expected impact, the likelihood of impact and the opportunities to increase impact of the investment were assessed through a results measurement framework. For a sample of investments, inspected the key performance indicators that correspond to the strategy's impact objective to confirm that they have been identified and selected. For a sample of investments, inspected evidence to confirm that the key performance indicators were monitored throughout the life of the investment. Inspected the BIO Annual Impact Report to confirm that this has been published and evidence to confirm that it has been shared with the Limited Partners.
5	PRINCIPLE 5: Assess, address, monitor, and manage potential negative impacts of each investment.	(1) For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. (2) Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned	The BIO strategy structures the mitigation of key ESG risks with portfolio companies at the onset of the investment and will monitor these risks over time. Should an ESG-related issue arise with an investee company, we would seek to work with such company and its management to take mitigation actions and share best practices where feasible. We work with our investee companies to monitor and maintain a clear picture of how ESG related issues and opportunities may affect risk and performance of an investment over the life of our investment. Please see detail below on how we will seek to identify and mitigate ESG risk on behalf of the BIO strategy:	For a sample of investments, inspected due diligence, ESG assessments, investment committee meeting minutes and any other documentation to confirm that ESG risks have been identified at the pre-investment stage. For a sample of investments, inspected screenshots from BlackRock's internal monitoring system to confirm that ESG risks and ratings have been monitored over time.

		with good international industry practice. (3) As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.	 ESG is an integral part of every BlackRock private market investment Environmental / Social / Governance Our approach to integrating ESG within our investment process is outlined below: Sourcing & screening Due diligence Investment committee approval Measurement & monitoring	
6	PRINCIPLE 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately.	(1) The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. (2) When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. (3) The Manager shall also seek to use the results framework to capture investment outcomes (i.e., short-term and medium-term effects of an	The BlackRock Impact Opportunities strategy Team has developed reporting to monitor progress towards achieving impact performance. These dynamic reports track key performance indicators for each investment through data compiled from periodic reports provided by our portfolio companies. The key impact metrics are defined for all investments upfront to capture tangible outputs. These are also agreed upon upfront by our investment partners. When impact is significantly different from expectations, portfolio team members engage with our investment partners to determine the appropriate action to pursue. The BlackRock Impact Opportunities strategy team defines key investment theses and how we will measure and monitor each at an investment level before investing in a company and evaluates the company's impact over time. On an annual basis for our clients, we formally report impact metrics for companies' calendar year or fiscal year period. We evaluate impact along the IMP Five Dimensions of Impact and the originally established Key Performance Indicators. Upon quarterly board discussion and annual portfolio impact review, if a company falls short of our expectations and impact criteria, we will engage with the company to better understand the shortcoming, to learn about any new directions of the business, and to help us build a better long-term picture of	For a sample of investments, inspected the dynamic reports which track key performance indicators. For a sample of investments, inspected evidence to confirm that the key impact metrics have been agreed upfront with investment partners. As there were no investments where impact was different from expectation in the year to 31 December 2022, confirmed through inquiry that engagement with investment partners would take place to determine action to pursue. For a sample of key investments, inspected evidence to confirm that key investment theses were defined before investing, as well as evaluating the company's impact over time. Inspected the annual report to confirm that impact metrics for the companies' calendar year or fiscal period has been reported to clients.

		investment's outputs, which are the products, capital goods, and services).	future impact. If the business no longer meets our material, additional, and measurable criteria for impact, we will explore opportunities to divest the investment per the procedures summarized in the next section of this report. As of year-end 2022, all investments in the portfolio have met or are on track to meet initial impact trajectory and thesis expectations.	Inspect the BIO Impact Framework to confirm that it uses the IMP Five Dimensions of Impact. For a sample of investments, inspected the dynamic reports which track key performance indicators. As there were no investments which fell short of expectations and impact criteria, nor with performance significantly below expectation in the year to 31 December 2022, confirmed through inquiry that engagement with the company would take place in the first instance, followed by review by the BIO strategy Internal Investment Committee and due consideration would be given to long-term sustainability of impact. For a sample of equity investments, inspected evidence to confirm that Blackrock has consent rights in place.
7	PRINCIPLE 7: Conduct exits considering the effect on sustained impact.	When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.	Exit decisions for BIO strategy investments will be guided by expectations / agreement set out at the time of investment / underwriting subject to review and approval by the BIO Internal Investment Committee. Significant decisions (including disposition) with respect to any investment performing significantly below expectations will require BIO strategy Internal Investment Committee review. The BIO strategy will exit investments with due consideration to impact while also remaining committed, first and foremost, to maximizing return. Exits will be consummated consistent with the BIO strategy GP's fiduciary duties, consider the effect the timing, structure, and process of its exit will have on the long-term sustainability of impact. As of year-end 2022, there have been no exits from any investments within the portfolio.	For a sample of investments, inspect evidence to confirm that exit expectations/agreements have been set out at pre-investment stage and approved by the BIO Internal Investment Committee. As there no investments exited from the strategy in the year to 31 December 2022, confirmed via inquiry that investments with performance significantly below expectations would be reviewed by the BIO strategy Internal Investment Committee and due consideration would be given to long-term sustainability of impact.
8	PRINCIPLE 8: Review,	The Manager shall review and document the impact performance of	The BlackRock Impact Opportunities strategy Team's investment strategy was established to accelerate the wealth of	Inspected the Private Placement Memorandum to confirm that the

	document, and improve decisions and processes based on the achievement of impact and lessons learned.	each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.	U.S.-based ethnic minorities with a focus on people who are Black, Latinx or Native American. A review of the impact performance of our investments is a critical aspect of how value is created for our investors. The expected financial returns and impact metrics of each investment are documented in the Investment Committee Memos as part of our due diligence process. This serves as a benchmark, relative to which impact performance is evaluated during the term of our investments. As our strategy matures, beyond the impact that the company itself generates, we seek to amplify secondary impact in the portfolio by taking steps such as conducting Human Resources due diligence to ensure benefits extend to the employees of the portfolio companies as well. All investments in the BIO portfolio are subject to a quarterly Internal Investment Committee review, in which both investment performance and impact performance are assessed on a deal-by-deal basis. Insights from the review process are used to adjust and / or enhance our investment strategy and operational due diligence as well as refine our investment priorities.	investment strategy of the portfolio was to accelerate the wealth of U.S.-based ethnic minorities with a focus on people who are Black, Latinx or Native American. For a sample of investments, inspected Investment Committee Memos to confirm that expected financial returns and impact metrics were included and documented as part of the due diligence process. Inspected an example of Human Resources due diligence, where relevant, to confirm that the strategy is seeking to ensure benefits extend to the employees of the portfolio companies as well. For a sample of quarters, inspect minutes of the Internal Investment Committee meetings to confirm that all investments in the BIO portfolio were assessed for both investment performance and impact performance on a deal-by-deal basis.
9	PRINCIPLE 9: Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.	The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.	Robust impact management processes are an essential component of BlackRock's impact investing strategies and we commit to annually disclosing on our alignment with the Operating Principles for Impact Management going forward. BlackRock will be completing external verification on a regular cadence and publishing the conclusion of the verifier's assessment. The selection of an external verifier was completed in 2021, the first verification was published in 2022, and the second verification was published in 2023. We will continue to have an external verifier review impact strategies in 2024.	n/a

Appendix 3 - BlackRock Private Equity Partners Impact strategy, within BlackRock's Alternative business

Principle			BlackRock Response	Test(s) performed by PwC
1	PRINCIPLE 1: Define strategic impact objective(s), consistent with the investment strategy.	(1) The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the United Nations Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. (2) The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; (3) that there is a credible basis for achieving the impact objectives through the investment strategy; and (4) that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.	The BlackRock Private Equity Partners (PEP) impact strategy seeks to generate positive contributions toward the environment and society alongside private equity financial returns. Targeting the United Nations Sustainable Development Goals (SDGs), PEP's impact strategic intent is to provide diversified exposure across the following five impact investment themes: Good Health & Wellbeing, Climate, Resources, Education and Financial Inclusion. PEP aims to provide tangible contributions toward the UN SDGs in a manner that is intentional, material, additional and measurable: • Intentional: Proven purpose of having an impact through ex-ante definition of expected outcomes over holding period • Material: The company's driver of financial return must be the driver of sustainable outcome supporting advancement of one or more of the UN SDGs • Additional: The company will benefit from BlackRock's capital, network, expertise and brand as strategic investor • Measurable: Robust measurement of progress in the selected Key Performance Indicators (KPI) against the defined target over holding period The target outcomes for each investment are set in line with the respective financial underwriting in order to ensure a consistent basis for achievement of financial returns and impact objectives as well as appropriate scale of intended impact.	Inspected the applicable UN SDGs against the themes set to determine that the themes are in line with the UN SDGs. For a sample of investments, inspected the templates and determined that these are aligned with the strategy and SDG's set out. For a sample of investments inspected evidence to confirm that they were evaluated on Blackrock's impact criteria, including materiality, additionality and measurability. For a sample of investments, inspected the target outcomes set are in line with the financial underwriting.
2	PRINCIPLE 2: Manage strategic impact on a portfolio basis.	(1) The Manager shall have a process to manage impact achievement on a portfolio basis. (2) The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio.	PEP will seek to implement the impact investment strategies through a rigorous, repeatable and scalable investment process. The investment process will screen potential portfolio companies and primary fund managers, with the aim of creating a diversified portfolio positioned to achieve positive and measurable impact outcomes and financial returns: • Direct co-investments: A direct co-investment is an investment in a company alongside another direct private equity General Partner (GP) or sponsor. PEP has developed proprietary direct co-investment impact scorecards to facilitate the identification of direct	Inspected the scorecards for a sample of investments to determine that the IMP, GIIN, IRIS and UN PRI frameworks have been considered and used when assessing and determining impact for the investments. Inspected the scorecards for a sample of investments in order to determine that the investment process has been followed and the impact criteria (Intentionality,

		(3) As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.	co-investments that meet the impact criteria (Intentionality, Materiality, Additionality and Measurability) and fit within the identified impact investment themes. Our approach is aligned with the Impact Management Project (IMP) 5 Dimensions, the Global Impact Investing Network (GIIN)'s Impact Reporting and Investment Standards (IRIS) metrics and the United Nations Principles for Responsible Investment (UN PRI). For each of the chosen impact investment themes we use the described UN SDGs as a framework to determine the specific areas of impact outcome we target and to define KPIs based on each direct co-investment's expected impact outcome contribution. These KPIs are based on the GIIN's IRIS metrics and are comparable and relevant to the strategy and sector in which a direct co-investment operates. Based on the UN PRI Impact Investing Market Map, minimum materiality thresholds have been defined to ensure that the driver of financial return is the driver of impact outcomes. • Primaries: A primary investment is an investment in a fund managed by a direct private equity GP. PEP has developed a primaries impact scorecard based on the IMP 5 Dimensions (What, How Much, Who, Contribution and Risk) that allows to identify the intentionality in the investment thesis of an underlying manager and their ability to generate positive and measurable contributions in the past, as well as potential risks involved. PEP seeks to build a global portfolio and provide broad diversification across impact investment themes, industries and sponsors. As a key part of PEP's monitoring process, PEP holds internal Account Reviews to discuss and assess each portfolio and its respective investments. As part of the impact outcome tracking and reporting, impact metrics are considered throughout the investment process, from sourcing to exit and ongoing monitoring of investments is performed against PEP's underwriting criteria for PE returns and impact outcomes. Progress will be reported relative to both impact metrics and financial returns as part of the investor reporting.	Materiality, Additionality and Measurability) were assessed as part of the decision to invest. Inspected evidence of the assessment of the direct portfolio to ensure that not more than 50% of the portfolio is allocated to any single investment theme. Inspected evidence of Account Reviews assessing the progress of the portfolio. Inspected a sample of the quarterly portfolio review in order to determine the review of each investment against the target. Inspected the annual report for reporting of the impact metrics to investors annually.
3	PRINCIPLE 3: Establish the Manager's contribution	(1) The Manager shall seek to establish and document a credible narrative on its contribution to the achievement	Private capital can play a critical role in generating impact to improve the planet and society. In particular, private equity has the ability to support companies for which access to public markets might not be possible due to specific nature of investment stage or	For a sample of investments, inspected the scorecards to review the impact assessment for each of the investments,

	to the achievement of impact.	of impact for each investment. Contributions can be made through one or more financial channels (e.g., improving cost of capital, specific financial structuring, offering innovative finance instruments) and/or non-financial channels (e.g., active shareholder engagement, assisting with resource mobilization, providing technical advice or capacity building, helping investees meet higher operational standards). (2) The narrative should be stated in clear terms and supported, as much as possible, by evidence.	strategy (e.g. venture capital, growth, turnaround). BlackRock's objective is to support the private equity industry in filling the financing gap towards the UN SDGs by supporting innovative companies and impact private equity managers with not only capital, but also visibility as well as access to our resources and network. Throughout the underwriting and diligence process and using the impact scorecards, PEP assesses the contribution achieved and how BlackRock provides additionality to the companies and managers we invest in: • Provision of strategic capital: Companies are expected to benefit from BlackRock's capital, network, expertise and brand as strategic investor and as such we view our investment as strategic capital that supports the underlying company's growth organically or inorganically, e.g. in view of an IPO. • Increased company visibility: We believe that BlackRock's brand and focus on sustainability can drive attention to invested companies and managers fostering additional investments by other market participants. • Support business development: BlackRock can provide tangible support in growing the business and scaling solutions by leveraging PEP and BlackRock's network. • Engagement on impact outcomes: Through investment ownership and board representations, BlackRock can engage with companies and managers on impact progress, providing access to sustainability resources and network.	including alignment of the KPIs to the UN SDGs. For a sample of investments, inspected the impact scorecards to determine that additionality was assessed and achieved through at least one of the following: • Provision of strategic capital • Increased company visibility • Support business development • Engagement on impact outcomes
4	PRINCIPLE 4: Assess the expected impact of each investment, based on a systematic approach.	(1) For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact?	PEP's due diligence approach is not a "check-the-box" process. Through the application of a disciplined approach to gathering data, PEP seeks knowledge and understanding of what does or does not create value in a potential investment, rather than simply confirming that all the proper pieces of information have been collected. The PEP's approach is designed to be aligned with the Impact Management Platform's (IMP) Five Dimensions of Impact, the Global Impact Investing Network's (GIIN) Impact Reporting and Investment Standards (IRIS+) metrics and the UN Principles for Responsible Investment (UN PRI) Impact Investing Market Map, leveraging the best practices within the industry. We evaluate each of the five dimensions of impact in line with the IMP 5 Dimensions: What, How Much, Who, Contribution and Risk. For each impact investment PEP uses the UN SDGs as a framework to determine the specific areas of impact outcome we target and to define KPIs based	For a sample of investments, inspected the scorecards for the positive impact assessment includes the IMP 5 Dimensions: What, How much, Who, Contribution and Risk. For a sample of investments, inspected the scorecards for evidence of the alignment to the following standards: - GIIN - IRIS - UN PRI - UN SDGs

		(2) The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. (3) The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. (4) Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.	on each direct investment's expected impact outcome contribution. These KPIs are comparable and relevant to the strategy and sector in which a direct investment operates. BlackRock has pre-identified the KPIs that are typically most relevant for the respective business type, and, where applicable, assigns the respective GIIN IRIS+ code to allow for standardization and comparison. For direct co-investments, PEP formulates target expectations for the development of the identified KPIs during the holding period. As part of the financial modelling at underwriting, PEP will formulate ex-ante expectations for the development of the defined KPIs. PEP employs the same process to measure the ongoing performance of each investment relative to KPIs and financial considerations.	For a sample of direct co-investments, inspected the scorecards for for target expectations and ex-ante expectations, including defining the KPIs.
5	PRINCIPLE 5: Assess, address, monitor, and manage potential negative impacts of each investment.	(1) For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. (2) Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current	Negative externalities are addressed at due diligence and are integral part of the PEP impact scorecards. With regard to direct co-investments, the PEP impact scorecards seek to identify the risks and potential negative externalities associated with the investment, spanning from resources and components used in the production process, to potential undesired impact for a wide range of stakeholders (clients, workforce, society as a whole) associated with the products or services delivered by the company. For each risk identified, mitigant actions are formulated as part of the due diligence process on the company. Concerning primaries opportunities, the PEP impact scorecard aims at addressing what are the risks involved and how significant they	For a sample of direct co-investments, inspected the PEP impact scorecards for the assessment of the risks and externalities associated with the investment, including mitigant actions formulated to address these. For a sample of primary opportunities, inspected the PEP impact scorecards for the assessment of associated risks, including the risk dimension. For a sample of investments, inspected the ESG due diligence process performed.

		investee systems, processes, and standards, using an approach aligned with good international industry practice. (3) As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.	are. As part of the Risk dimension, the PEP team seeks to identify the risks involved with the project and the factors that may result in the contribution of the project to be different from that expected. In addition to the considerations of potential investments based on their impact merits, PEP conducts a detailed Environmental, Social and Governance (ESG) due diligence for all investments made across the PEP platform. For direct co-investments, we apply a core set of minimum exclusions, or baseline screens, establishing a limit for what PEP will not invest in based on ESG concerns. PEP baseline screens include, but are not limited to, material exposure to thermal coal, controversial weapons and UN Global Compact violations. Secondly, PEP has implemented a process to review direct investments for significant net zero transition-related risk and flag positions to be escalated for heightened scrutiny and periodic review over time. Finally, PEP conducts a detailed analysis of ESG considerations of investments against best practices in the respective peer group. Where a risk or an issue is identified, PEP works with the manager and the portfolio companies to take mitigating action where feasible. Areas of focus for investee companies include environmental regulatory compliance and outstanding litigation, material labor-related incidents/ investigations, or the company's ethical track record. PEP's focus lies on obtaining a clear picture of how ESG related issues and opportunities may affect risk and performance of an investment. As part of ongoing monitoring, the PEP team engages with managers and company management teams on key developments relating to ESG, including: • Any material issues and risks, defined as material litigations, incidents, and other material issues from an ESG perspective • Progress on risk mitigation and value add initiatives • Monitoring thresholds of PEP's baseline screens The ESG progress may also be influenced by leveraging board seats, shareholder rights and Limited Partner Advisory Committee (LPAC) positions.	Inspected details of all minimum exclusions as part of the 'baseline screens' and determined these are aligned with the UN SDGS. For a sample of direct investments, inspected the review of significant net zero transition-related risk. For a sample of investments, inspected the ESG considerations against best practices. Inspected the actions taken for any risks or issues identified, including identifying areas of focus for investee companies. Inspected any engagement between the PEP team and the managers and company managers on ESG matters, including on: • Any material issues and risks, defined as material litigations, incidents, and other material issues from an ESG perspective; • Progress on risk mitigation and value add initiatives; • Monitoring thresholds of PEP's baseline screens.
6	PRINCIPLE 6: Monitor the progress of each investment in achieving	(1) The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each	PEP employs the same process to measure the ongoing performance of each investment relative to impact KPIs as well as financial considerations when it comes to monitoring of investments. The investment team will monitor investments by (i) gathering and analyzing financial information (including annual and quarterly reports); (ii) attending annual meetings of PE sponsors from which	Inspected a sample of quarterly reports for the gathering and analysing of financial information. Inspected evidence of the annual meeting with the sponsors.

	impact against expectations and respond appropriately.	investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. (2) When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. (3) The Manager shall also seek to use the results framework to capture investment outcomes (i.e., short-term and medium-term effects of an investment's outputs, which are the products, capital goods, and services).	deals are sourced and with managers; (iii) whenever possible, actively participating on the boards of directors and advisory boards of investments or having board observer status; and (iv) maintaining ongoing informal contacts with PE sponsors from which deals are sourced and managers. Where progress is deemed to be behind plan, PEP takes action either through board seats or influence on company and other investors. Through investment ownership and board representations, PEP will continue to engage with companies and managers on impact progress. BlackRock intends to exercise the influence necessary to ensure investments are on track to achieve their underwritten financial and impact outcomes. BlackRock actively seeks to serve on an investment's board of directors or as a board observer, and we intend that our board of director and board observer participations be both dynamic and interactive and will leverage these positions to prioritize impact outcomes alongside financial returns. We provide transparency through the reporting of performance of each investment as part of the financial reporting. The progress achieved by each co-investment toward the targeted impact KPI is reported back to investors on individual direct co-investment level on an annual basis as part of the annual impact reporting. For primary investments, investors receive information on the investment strategy, impact focus and targeted UN SDGs for each manager as part of the annual impact reporting. The Annual Report for co-investments does not contain reporting on specific KPIs given the strategy has not yet completed a full year of investments. In addition, there are no examples of where the companies has board presence or observer status in the period.	Inspected evidence of ongoing informal contact with PE sponsors. Inspected evidence of any additional board seats taken or additional influence with companies sought as a result of the investment process deeming to be behind plan. Inspected the annual report for the documentation of the progress of each co-investment and primary investment.
7	PRINCIPLE 7: Conduct exits considering the effect on sustained impact.	When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.	As a minority investor, PEP does not control the exit process, but given alignment with the sponsor we seek to maximize financial return and impact outcome measured by the performance against KPI targets defined at underwriting. PEP has created an Impact Exit Committee meeting on a periodic basis to discuss viable exit options and assess exit scenarios, ensuring that we appropriately exit each of our investments. PEP recognizes the importance of exiting from investments in a manner consistent with impact objectives of the strategy and seeks to	Inspected the terms of reference for the Impact Exit Committee for details of their responsibilities and role, and the process that would happen if an exit were to take place.

			carefully consider what a buyer's intentions are once the transaction is completed and how the transaction will affect the company, its stakeholders, and its future ability to generate positive contributions toward environment and society. There were no exits from any investments within the strategy during the period.	Inspected evidence that exit options are defined and considered at the investment stage. Confirmed via inquiry that there were no exits during the period under review.
8	PRINCIPLE 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.	The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.	The PEP team actively engages with the portfolio companies and managers by sharing ESG best practices, managing ESG risk and reviewing of lessons learned from past investments. As a key part of PEP's monitoring process, the team holds internal portfolio reviews both at investment and portfolio level to review progress on impact outcomes and share lessons learned, with the goal of improving over time.	Inspected communication between Blackrock and portfolio companies including ESG best practices, managing ESG risk and reviewing of lessons learnt. Inspected evidence of improvements made to the scorecard as a result of annual impact strategy reviews.
9	PRINCIPLE 9: Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.	The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.	Robust impact management processes are an essential component of BlackRock's impact investing strategies and we commit to annually disclosing on our alignment with the Operating Principles for Impact Management going forward. BlackRock will be completing external verification on a regular cadence and publishing the conclusion of the verifier's assessment. The selection of an external verifier was completed in 2021, the first verification was published in 2022, and the second verification was published in 2023. We will continue to have an external verifier review impact strategies in 2024.	n/a

Appendix 4 - BlackRock China Impact strategy, within BlackRock's Fundamental Equity business

Principle			BlackRock Response	Test(s) performed by PwC
1	PRINCIPLE 1: Define strategic impact objective(s), consistent with the investment strategy.	(1) The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the United Nations Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. (2) The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; (3) that there is a credible basis for achieving the impact objectives through the investment strategy; and (4) that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.	The BlackRock China Impact Strategy Team invests only in the equity securities of companies domiciled in, or exercising the predominant part of their activity in, or from, the People's Republic of China (PRC) and whose core products and/or services advance positive social and environmental outcomes domestically and abroad. These include improving access to affordable housing, clean water, healthcare, education, and financial services. We also target areas that are well supported by current structural reforms and policies in China, which aim to improve economic resiliency, livelihoods, and public health, as well as address climate change and reversing environmental degradation. The strategy's investment themes align discretely with the United Nations Sustainable Development Goals (SDGs) to deliver measurable impact outcomes. To target a high standard of impact, our impact criteria require for each company: materiality (that a majority of revenues or business activity advances one or more of the SDGs; additionality (that a company's offerings address a specific need that is unlikely to be met by other agents), thereby creating impact; and measurability (that the impact a company is achieving over time can by quantified). An active management approach is essential in managing portfolio impact and requires finding and intentionally selecting companies for portfolio inclusion. Monitoring companies with impact as their core requires fundamental research with forward-looking insight to identify companies that can bring differentiated and scalable impact. In addition to our impact goals, our investment objective seeks to maximize long-term total returns through active investment in the universe outlined above.	Inspected the China Impact Fund - Standard RFI and reviewed that the strategy has been aligned with the SDG goals. For a sample of investments, inspected the templates and determined that these are aligned with the strategy as set out in the standard RFI document. For a sample of investments inspected evidence to confirm that they were evaluated on Blackrock's impact criteria, including materiality, additionality and measurability. Inspected the China Impact fund's investment objective to confirm it seeks to maximise long-term total returns through active investment in companies whose goods and services Blackrock believes help solve some of the world's great social and environmental problems.
2	PRINCIPLE 2: Manage strategic impact on a portfolio basis.	(1) The Manager shall have a process to manage impact achievement on a portfolio basis. (2) The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may	The China Impact Strategy is managed through a strategic partnership between BlackRock's Global Emerging Markets and Global Impact teams. This allows for a consistent impact approach to be applied to the China equities market. From that lens, the BlackRock China Impact Team monitors impact over time, and formally reports impact metrics to clients on an annual basis for companies held in the portfolio. Additionally, the Team anchors our impact management and measurement (IMM) approach to what we believe reflects best practices.	Inspected the China Impact Annual Report to confirm impact metrics were formally reported for a selection of companies held in the portfolio. Inspect evidence to ensure it supports the statement: "The BlackRock China Impact Team monitors impact over time, including formally reporting impact metrics to clients on an annual basis for

		vary across individual investments in the portfolio. (3) As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.	First, we seek to ensure that our IMM process is transparent, repeatable and auditable. We see many benefits to this approach, including having a mechanism to hold ourselves accountable, a feedback loop to our impact thesis and theory of change, and a path for improving our practice over time. Second, we integrate impact analysis throughout the investment process, including the identification of preliminary impact indicators before investing. Third, our aim is to adopt industry-leading frameworks as much as possible, using what is relevant to, and consistent with, our investment process. We believe this approach increases the comparability of impact measures across investments over time and helps avoid the proliferation of disparate methodologies in the industry. Reflecting these views, we have combined the following four leading, third-party industry frameworks to enable us to provide clients with a robust and multifaceted practice to establish and manage impact on a portfolio basis. 1. The Impact Management Project's Five Dimensions of Impact 2. The Global Impact Investing Network IRIS+ System and Taxonomy 3. The United Nations Sustainable Development Goals and Targets 4. The Operating Principles for Impact Management We also require the companies in which we invest to meet the following criteria for materiality and additionality. Failing to meet either of these criteria is expected to result in removal from the portfolio, which is the responsibility of our China Impact portfolio management team. To meet the materiality criterion, generally at least half of a company's activity must be derived from activities that advance one or more of the United Nations Sustainable Development Goals. For a typical company, that threshold is defined as earning more than 50% of revenues from such impact activities. In contrast, a company that is in an early stage of its business lifecycle will be deemed to be a qualifying impact if a majority of its products and/or services are geared toward advancing the SDGs. This threshold helps ensure that we are investing only in companies that create impact from the core of their business. To meet the additionality criterion, a company's products or services must address a need that is unlikely to be fulfilled by others (such as competitors or governments). The primary sources of company additionality are the application of innovative technologies or innovative business models, as well as the delivery of a company's products to underserved populations. By requiring additionality for	companies held in the portfolio. Additionally, the Team anchors our impact management and measurement (IMM) approach to what we believe reflects best practices." For a sample of investments inspected evidence to confirm that the impact analysis was included throughout the whole process, including the identification of preliminary impact indicators. Inspected evidence to confirm that Blackrock combined the four leading, third-party industry frameworks to enable them to provide clients with a robust and multifaceted practice to establish and manage impact on a portfolio basis. For a sample of investments inspected evidence to confirm that they are evaluated on Blackrock's impact criteria that requires materiality, additionality, and measurability to be met. For a sample of investments that failed to meet the criteria inspected evidence to confirm they have been removed from the portfolio.

			impact companies, we seek to invest in disruptive innovation helping to meet essential needs where there is strong demand but inadequate supply. Notably, the ongoing assessment of additionality requires significant and active fundamental research.	
3	PRINCIPLE 3: Establish the Manager's contribution to the achievement of impact.	(1) The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial channels (e.g., improving cost of capital, specific financial structuring, offering innovative finance instruments) and/or non-financial channels (e.g., active shareholder engagement, assisting with resource mobilization, providing technical advice or capacity building, helping investees meet higher operational standards). (2) The narrative should be stated in clear terms and supported, as much as possible, by evidence.	Investor contribution is achieved through the collective execution of these five activities, which we have created as a set and believe are best practices in public equities: 1. Invest with a long-term, ownership mindset 2. Engage with companies to help enhance their lasting impact 3. Create a better marketplace for Impact companies seeking a responsible exit from private equity 4. Invest capital when an impact company needs to raise more capital 5. Bring much needed visibility to undervalued Impact companies With these five tools in our strategy toolkit, we deploy any combination of these mechanisms to help drive impact. Our long-term, ownership mindset is critical in our constructive and strategic engagement efforts. Through engagement, we seek to help our invested impact companies deliver impact outcomes through their disruptive products and services. We believe our experience investing globally has afforded us valuable insights that we can, in turn, bring to the companies with which we engage. At the same time, we are keenly aware that the solutions to seemingly similar social and environmental issues often must be tailored to the company's regions, social norms, target demographics and policy contexts, among other considerations. In addition to our long-term horizon and impact engagement strategy, we strive to create a better marketplace for impact companies seeking a responsible exit from private equity. We seek anchor investments in their initial public offerings (IPOs) and aim to provide patient capital and long-term investment partnerships. We recognize that a company's need for capital continues throughout its business lifecycle. A company can seek to raise more capital over time by issuing additional shares of public equity and bonds. We regularly engage with companies and have seen that their need for additional capital can easily come at inopportune times. As impact investors, we believe our willingness to participate in a capital raise aligns with the dual objective of achieving long-term impact and financial success. Moreover, capital raise transactions often take place in private institutional deals that are not available to individual	Inspected relevant China Impact Fund documents, and calendar invites and email communications with investment companies to verify that BlackRock engages with the investment companies through the collective execution of the five activities as disclosed over the statement.

			investors; thus, our participation reflects our investor contributions as an institutional impact investor. Lastly, we bring much needed visibility to impact companies. These enterprises are often overlooked and misunderstood by mainstream investors. There are no examples of companies within the strategy that have had an IPO in the period.	
4	PRINCIPLE 4: Assess the expected impact of each investment, based on a systematic approach.	(1) For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? (2) The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. (3) The Manager shall also	The China Impact Strategy Team selects investments for inclusion in our portfolio by drawing upon a proprietary universe of companies domiciled in, or exercising the predominant part of their activity in, or from, the People's Republic of China (PRC), and advance positive social and environmental outcomes domestically and abroad. The team's structured framework to identify, assess, qualify companies to the China Impact universe is fully consistent with the impact requirements demanded by other Impact products on BlackRock's equities platform. Subsequently, the vast majority of companies that qualify for the China Impact universe are also investable by the platform's Global Impact products. There are, however, some exceptions whereby the scope of a China-oriented idea may not be broad enough to be considered impact at a global scale. These exceptions are well documented within the universe construction process. Our impact universe is not static, but rather consists of an open architecture for ideas that creates a continuous feedback loop to our team to provide fresh ideas for the universe. We require all impact companies to meet our criteria for additionality and materiality, as discussed under Principle 2. Failing to meet these either criterion will result in removal from the universe and portfolio. For all holdings in the China Impact portfolio, we apply the Impact Management Project's Five Dimensions framework and evaluate each dimension: Who, What, How Much, Contribution, and Risk. We base our impact metrics on the GIIN's IRIS+ System and Taxonomy, and we tag our holdings to not only the UN Sustainable Goals, but also the underlying targets, where possible. Notably, the IRIS+ taxonomy and UN SDG targets cover most, but not all, relevant impact metrics that we have uncovered through our active management research; in the event where such standardized metrics fall short, we use our bespoke metrics and indicate so for full transparency.	For a sample of investments inspected evidence to confirm they meet the criteria for additionality and materiality. For a sample of investments failing to meet the criterion inspected evidence to confirm it resulted in removal from the universe and portfolio. Inspected evidence to confirm China Impact Team selects companies for inclusion in Blackrock's portfolios by drawing upon holdings whose core products or services address some of the world's major social and environmental challenges. For a sample of investments inspected evidence that the Impact Management Project's Five Dimensions framework is being used and the impact metrics are based on IRIS + System and Taxonomy and UN Sustainable Goals and Targets. Inspected evidence to confirm that the impact analysis is integrated throughout the investment process, including the identification of preliminary impact metrics before investing.

		consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. (4) Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.	We integrate impact analysis throughout the investment process, including the identification of preliminary impact metrics before investing. In addition, we believe our adoption of frameworks by the GIIN, Impact Management Project, and SDGs, increases the comparability of impact measures across investments over time and helps avoid the proliferation of disparate methodologies in the industry.	Inspected evidence to confirm that the GIIN, Impact Management Project and SDGs are being adopted.
5	PRINCIPLE 5: Assess, address, monitor, and manage potential negative impacts of each investment.	(1) For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. (2) Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. (3) As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.	In addition to documenting positive impact performance, our investment processes include the evaluation of negative externalities that matter deeply to us as impact investors. To evaluate "net impact," we focus on the IMP's risk dimension, which is one of the IMP's five dimensions. Here, we incorporate ESG analytics into our research, engage with companies based on our proprietary ESG research and insights, and seek a holistic view of a business' net impact. In addition, as a matter of policy, we avoid investing in specific categories, including controversial weapons, tobacco producers, and all UN Global Compact violators. Our dedicated sustainability research teams partner with investors and researchers to understand material sustainability risks and opportunities. The foremost responsibility for integrating ESG insights into company research sits with the analysts covering the stocks. This is because the analysts have the deepest knowledge of the companies they cover and are best placed to understand the potential implications of ESG risks and opportunities on company fundamentals. The Team is supported by a dedicated ESG specialist, ESG research pod leads and the BlackRock Sustainable and Transition Solutions (STS) team. STS provide thought leadership, integration best practice and reporting tools to enable transparency of ESG metrics for our clients. This is increasingly relevant as data coverage and quality improves across China and emerging markets more broadly. Positions and potential investment opportunities are also evaluated in some additional ESG situations as part of the sell discipline. When an ESG concern is brought forward by analysts or by BlackRock's Investment Stewardship team, the company is added to the	For a sample of investments made during the period, inspected evidence to confirm that negative externalities were evaluated and that the IMP's risk dimension was used as part of the investment appraisal process. For a sample of investments made during the period, inspected evidence to confirm that ESG analytics were incorporated into investment research including restricted categories. Inspected evidence for one instance to confirm that an investment that was considered by BlackRock to generate negative externalities was exited from the investment decision. Inspected evidence of the team structure, including ESG specialists, research pod leads and STS team. For these teams, reviewed an explanation of their responsibilities in supporting the strategy. Inspected evidence of any support provided by these roles in the team.

			Heightened Scrutiny list or the stock ESG rating is upgraded or downgraded, according to the MSCI scoring system, the position is reviewed to determine if the new ESG insights are material and to check whether the investment case is still valid. In some cases, it will prompt an engagement with the company and in other cases it will trigger a reduction in active weight or divestment from the company to reflect the change is risk-reward outlook. When we divest from a company for ESG reasons, we retain the ability to buy the company in the future if there is a change in our assessment of their handling of the key ESG issues.	Inspected evidence of assessment and rationale for any divestments made as a result of this process.
6	PRINCIPLE 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately.	(1) The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. (2) When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. (3) The Manager shall also seek to use the results framework to capture investment outcomes (i.e., short-term and medium-	The China Impact Strategy Team identifies preliminary impact indicators before investing in a company and evaluates the company's impact over time. On an annual basis for our clients, we formally report impact metrics for companies' calendar year or fiscal year period. We evaluate impact along the IMP Five Dimensions and obtain data based on publicly available company documents, including company annual reports and regulatory filings, as well as through our research and engagement efforts with each company. We also monitor companies for its adherence to our criteria on materiality and additionality. Our data sources are documented, auditable, and transparent, providing a feedback loop to our impact thesis and theory of change and a path for improving our practice over time. If a company falls short of our expectations and impact criteria, we will engage with the company to better understand the shortcoming, to learn about any new directions of the business, and to help us build a better long-term picture of future impact. If the business no longer meets our material, additional, and measurable criteria for impact, we eliminate the company from the portfolio, which would also require removal from the universe of impact companies.	For a sample of investments, inspected evidence to confirm that the China Impact Team identified preliminary impact indicators before investing in a company and evaluates the company's impact over time. Inspected the annual report to show that impact metrics have been reported to companies annually. For a sample of investments, inspected evidence to confirm the impact is evaluated along the IMP Five Dimensions framework through publicly available company documents as well as through Blackrock's research and engagement efforts with each company. For a sample of investments, inspected evidence to confirm their adherence to Blackrock's criteria on materiality and additionality. PwC inspected the manual tracker to confirm any company removed from the portfolio is tracked and rationale of removal is documented. For a sample of companies removed from the portfolio, PwC inspected evidence to

		term effects of an investment's outputs, which are the products, capital goods, and services).		verify the rationale of elimination by BlackRock and traced back to signed financial statement to verify they have been removed from the portfolio. For the same sample of companies, where relevant, PwC inspected evidence to verify BlackRock continue engagement with the company after existing the position.
7	PRINCIPLE 7: Conduct exits considering the effect on sustained impact.	When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.	We may need to trim or eliminate a company from the portfolio due to financial or risk management considerations. When exiting a position, we aim to continue our engagement with the company to help enhance its impact through our strategic, impact-outcomes oriented recommendations. Such companies remaining our impact universe for future consideration to re-enter the portfolio. If a portfolio company no longer meets our material, additional, and measurable criteria for impact, we eliminate the company from both the portfolio and the universe.	Inspected evidence of continued engagement with companies after being eliminated from the portfolio to help enhance its impact. For a sample of businesses that no longer meet the material, additional and measurable criteria for impact, inspected evidence to confirm the company was eliminated from both the portfolio and the universe.
8	PRINCIPLE 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.	The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.	Our China Impact Strategy Team reviews our progress on impact outcomes in periodic meetings and discussions, including deep dive sessions with the Global Impact Team. More formally, we conduct our deepest dive on impact achievements for portfolio holdings on an annual basis. This process allows us to reflect deeply on our processes, achievement of impact, and lessons learned, with the goal of improving over time.	For a sample of bi-weekly meetings and discussions inspected evidence to confirm that the China Impact Team reviewed the progress on impact outcomes. For a sample of months, inspected memos created assessing impact outcomes. Inspected evidence to prove the deepest dive on impact achievements has been conducted annually.
9	PRINCIPLE 9: Publicly disclose alignment with the Impact Principles and provide regular	The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall	Robust impact management processes are an essential component of BlackRock's impact investing strategies and we commit to annually disclosing on our alignment with the Operating Principles for Impact Management going forward. BlackRock will be completing external verification on a regular cadence and publishing the conclusion of the verifier's assessment. The selection of an external verifier was completed in 2021, the first verification was published in 2022, and the second verification was published in 2023. We will continue to have an external verifier review impact strategies in 2024.	n/a

	independent verification of the alignment.	also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.		

Appendix 5 - BlackRock Impact Mortgage Backed Security ("MBS") strategy, within BlackRock's Fixed Income business

Principle			**BlackRock Response**	**Test(s) performed by PwC**
1	PRINCIPLE 1: Define strategic impact objective(s), consistent with the investment strategy.	(1) The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the United Nations Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. (2) The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; (3) that there is a credible basis for achieving the impact objectives through the investment strategy; and (4) that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.	BlackRock's Impact Mortgage Backed Securities ("MBS") strategy seeks to achieve a positive social impact through supporting affordable homeownership to underserved populations. The strategy seeks to advance certain United Nations Sustainable Development Goals such as (#10) Reduced Inequality, (#11) Sustainable Cities and Communities, (#9) Industry, Innovation and Infrastructure. Housing touches more aspects of our lives than just where we live - housing affordability can be a major driver of segregation, inequality, and racial and generational wealth gaps. The strategy meets the objective of achieving positive social impact through seeking to provide equal access to affordable housing, homeownership opportunities to historically underserved populations, thereby enabling them the opportunity to create multigenerational wealth. The strategy will achieve this by targeting affordable loan programs that meet the criteria of BlackRock's Impact MBS framework which is centered around the following three pillars 1) breaking down barriers to credit through growing housing supply though 2) reach underserved communities 3) support the growth of more affordable and/or sustainable property types. The strategy seeks to deploy capital at scale across the targeted loans that support BlackRock Impact MBS framework. BlackRock's Impact MBS strategy while seeking diversification and liquidity, aims to only invest in a subset of the Agency MBS market that consists of U.S. Agency mortgages that are backed by loans originated through new or existing housing affordability programs offered through government agencies, as well as pools with certain colleterial characteristics BlackRock has deemed to be supportive of increased housing affordability in the US (programs including, but not limited to HomeReady, MH advantage, and Rural Housing Services).	Inspected the whitepaper created by the MBS strategy team and understand the UN SDGs identified. Inspected the assessments performed on each of the impact stories to test that the programmes are supported by a US mortgage agency or agencies. Inspected evidence that each impact story is supportive of increased housing affordability in the US. For a sample of programmes, inspected the documentation of the assessment and determined that these are aligned with the strategy. Inspected the metrics defined against each of the 7 programmes and determined that these have been appropriately set in line with the SDGs and the strategy principles.

			• HomeReady – a Fannie Mae affordable loan program that extends mortgage credit to borrowers with limited means for cash down payments. Borrower income must be <= 80% of area median income • MH Advantage – a Fannie Mae loan program for qualifying manufactured homes (a sustainable and environmentally friendly property type) • Rural Housing services – A Ginnie Mae program for residents of designated rural areas, and an area median income Importantly, the Agency MBS Team engages in direct dialogue with Fannie Mae, Freddie Mac and Ginnie Mae, and /or other mortgage stakeholders to create and/or support housing initiatives, programs and collateral types that meet the Impact MBS framework criteria. Additionally, the Agency Mortgage market is unlike any other area of Fixed Income where existing third-party ratings and sustainability frameworks can be applied. The Agency MBS Team, in collaboration with the BlackRock sustainable product groups worked to define the criteria for Impact MBS pools operating as a first mover and industry leader in this space. Impact MBS pools are assessed during the investment process in collaboration with BlackRock's Impact investing team and sustainable product groups.	
2	PRINCIPLE 2: Manage strategic impact on a portfolio basis.	(1) The Manager shall have a process to manage impact achievement on a portfolio basis. (2) The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. (3) As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.	The Agency MBS Team in partnership with BlackRock's Impact investing team and sustainable product groups has identified a subset of the agency mortgage market that meets the threshold for achieving Impact. To be deemed an "Impact MBS Story," a mortgage must meet one or more of the following criteria: a. target a specific borrower population – such as cost burdened households, underserved populations, borrowers with targeted area median incomes, specific geographies or regions within the U.S. (such as Low to Moderate Income "LMI" areas); b. break down barriers to credit – Not everyone in the U.S. has equal access to housing credit; barriers can be physical (such isolated rural regions - one or fewer physical bank branches), or financial, in ways tied to system discrimination (such as lack of generational wealth to draw upon for large home purchase down payments often times disproportionately persons of color, or in the ways traditional of credit scoring models assess risk. The removal of these barriers is critical to closing the racial wealth gap and increasing the homeownership rate among those with the most to gain from the benefits of homeownership;	For each of the 7 programmes, obtain documentation to display that the following criteria have been met: a. target a specific borrower population b. break down barriers to credit c. and/or be a sustainable property type Inspected the annual report from the Agency MBS team, including the reported impact from the loan programs. Inspected the metrics defined against each of the 7 programmes and determined that they falled under one of: 1. Counting metrics 2. Success metrics 3. %-saved metrics

			c. and/or be a sustainable property type – sustainable property types include forms of manufactured or modular housing, methods of building new single-family homes in a cost effective environmentally friendly method Prior to investment, corresponding Impact metrics are established at the time of investment to ensure the investment meets one of the themes above and it can be quantified. The Agency MBS Team monitors the loan programs defined as delivering impact and will formally report impact metrics to clients on an annual basis. The Agency MBS Team monitors and measures the achievement of social impact through a variety of metrics reporting, consisting of the following: 1. Counting metrics 2. Success metrics 3. %-saved metrics Loan programs are reviewed on an ongoing basis in accordance with impact investing criteria (Intentionally, Materiality, Additionality and Measurability)	
3	PRINCIPLE 3: Establish the Manager's contribution to the achievement of impact.	(1) The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial channels (e.g., improving cost of capital, specific financial structuring, offering innovative finance instruments) and/or non-financial channels (e.g., active shareholder engagement, assisting with resource mobilization, providing technical advice or capacity building, helping investees meet higher operational standards).	We designed the BlackRock Impact MBS strategy to contribute to the achievement of impact through financial channels, such as directing capital to the aforementioned affordability programs, and raising awareness and industry focus on affordable and sustainable homeownership. The strategy can contribute to the following: • Increase in affordable mortgage origination – with sustained demand from the investment community, mortgage originators and lenders have the confidence needed to focus on often underserved populations and help keep the financing rates affordable. The increased supply of capital to these loan programs reduces the mortgage rate borrowers pay and gives lenders more comfort to increase the volume of loans originated. • Targeted MBS pooling practices - BlackRock is able to work directly with third party mortgage originators, as well as directly with Fannie Mae, Freddie Mac, and Ginnie Mae to pool mortgages with specific borrower characteristics. This will create a real supply of impact mtg	Inspected the Blackrock MBS whitepaper to assess if the narrative on the contribution of these programmes is clear and sufficient. Inspected the quarterly reviews for a sample of quarters as evidence on the ongoing review of the contribution of the programmes and the metrics set. Inspected evidence of the ongoing monitoring of additionality, including any assessment of growing awareness and market share. Inspected evidence of direct dialogue with Fannie Mae, Freddie Mac and Ginnie Mae, or other mortgage stakeholders.

		(2) The narrative should be stated in clear terms and supported, as much as possible, by evidence.	pools which will increase in attention and highlight the entire market opportunity. Due to privacy concerns some geographic and borrower income data is not disclosed to the market, (such as census tracts or area median income levels) – pooling directly with the third-party mortgage originators and/or the Agencies allows the strategy to reach this segment of the borrower base while preserving borrower privacy. • Support wealth creation – Over the last 20 years home prices have appreciated significantly. The result of this, is that while many American households can afford the monthly cost of a mortgage (i.e., the household is paying a similar amount in monthly rental payments), many households lack the ability to accumulate enough cash for a 20% down payment. Programs targeted in this strategy help with down payment assistance either in the form of monetary assistance and/or in the reduction of additional fees and costs typically applied to borrowers with less than a 20% down payment. • Build greater understanding and increased market size of affordable lending products and property types - Bring a greater understanding and more visibility of affordable mortgage lending products and sustainable property types within the asset management community and client base. Sustainable property types, such as manufactured housing, and some borrower based affordable lending products can often times be misunderstood and overlooked. The mechanism by which the strategy achieves social impact is by directing capital to specific affordable loan programs, underserved borrower's and/or sustainable property types. Part of the additionality BlackRock seeks to achieve is to bring awareness to and grow the market share of these types of programs. Importantly, the Agency MBS Team engages in direct dialogue with Fannie Mae, Freddie Mac and Ginnie Mae, and /or other mortgage stakeholders to create and/or support affordable housing initiatives, programs and collateral types. Additionally, the Agency Mortgage market is unlike any other area of Fixed Income where existing third-party ratings and sustainability frameworks can be applied. The Agency MBS Team, in collaboration with the GPG Team worked to define the criteria for Impact MBS pools operating as a first mover and industry leader in this space.	Inspected evidence of the collaboration with the GPG team to define the criteria. Inspected evidence for the ongoing monitoring of research by BlackRock.

			In addition, the Agency MBS Team closely follows ongoing affordable housing policy research from thought leader in the space, (such as the Urban Institute, and the Harvard Joint Center for Housing Studies). Fundamental investment analysis, as well as Impact analysis and research for each loan program is housed on BlackRock's internal platform. Minutes from meetings, and notes from industry events are disseminated across the investment team and stored as well.	
4	PRINCIPLE 4: Assess the expected impact of each investment, based on a systematic approach.	(1) For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? (2) The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. (3) The Manager shall also	The expected impact is assessed prior to a collateral type being deemed an "Impact MBS Story." The intended impact is to increase affordable homeownership for those households that have the most to gain from the financial and non-financial benefits of homeownership. As mentioned in Principle 2, Impact MBS stories are assessed against the following criteria: a. target a specific borrower population – such as cost burdened households, underserved populations, borrowers with targeted area median incomes, specific geographies or regions within the U.S. (such as Low to Moderate Income "LMI" areas); b. break down barriers to credit – Not everyone in the U.S. has equal access to housing credit; barriers can be physical (such isolated rural regions - one or fewer physical bank branches), or financial, in ways tied to system discrimination (such as lack of generational wealth to draw upon for large home purchase down payments often times disproportionately persons of color, or in the ways traditional of credit scoring models assess risk. The removal of these barriers is critical to closing the racial wealth gap and increasing the homeownership rate among those with the most to gain from the benefits of homeownership; c. and/or be a sustainable property type – sustainable property types include forms of manufactured or modular housing, methods of building new single-family homes in a cost effective environmentally friendly method. Potential homeowners and borrowers that are considered to be part of an underserved population are intended to receive the impact the strategy seeks to achieve. Underserved populations include, but are not limited to, potential homeowners facing barriers to credit, borrowers with targeted area median incomes, specific geographies or regions within the U.S. (such as Low to Moderate Income "LMI" areas). Homeownership has been the primary means of wealth	Inspected the assessments performed to deem the Impact Stories as aligned with the goals of the strategy and therefore included in the strategy. Inspected the assessments performed prior to investment for each impact story to ensure they are aligned with the criteria of: a. target a specific borrower population b. break down barriers to credit c. and/or be a sustainable property type Inspected the assessments performed to deem the Impact Stories as aligned with the definition of an underserved population. Inspected the assessments performed prior to investment for each impact story where the metrics where assigned.

		consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. (4) Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.	creation for large segments of the population over the last three generations, however access to this opportunity has not been equally distributed. Advancing equal access to homeownership is one of the ways to closing the racial wealth gap. The quantification of potential impact is integrated throughout the investment process and is critical at the point in which an investment is deemed an Impact MBS Story. Impact metrics are established by the Agency MBS Investment Team, and reviewed by BlackRock's Impact Management and Measured working group.	
5	PRINCIPLE 5: Assess, address, monitor, and manage potential negative impacts of each investment.	(1) For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. (2) Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. (3) As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.	In addition to the documenting the positive impact the strategy is achieving, the investment process includes the evaluation of success metrics, such as monitoring the rate of delinquencies and foreclosures in comparison with comparable non-impact mortgage pools. The Agency MBS Team monitors affordability programs and lending practices to ensure that they are operating as intended and assesses potential negative impacts. One of the biggest questions and misconceptions is that affordable mortgage lending is synonymous with extending mortgage credit to those who are 'not credit worthy'.	Inspected evidence of the ongoing monitoring of success metrics including delinquencies and foreclosures. Inspected evidence of the ongoing monitoring of affordability programmes and lending practices.
6	PRINCIPLE 6: Monitor the progress of each	(1) The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the	The BlackRock Agency MBS Team has developed reporting to monitor progress towards achieving impact performance. The key impact metrics are defined for all Impact MBS Stories to capture the relevant tangible outputs. Examples included below:	Inspected evidence of the metrics defined for the impact stories and that they fall under the categories of: 1. Counting metrics

	investment in achieving impact against expectations and respond appropriately.	achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. (2) When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. (3) The Manager shall also seek to use the results framework to capture investment outcomes (i.e., short-term and medium-term effects of an investment's outputs, which are the products, capital goods, and services).	• Counting metrics - "Supporting ## of low-income or moderate-income households within rural communities" • Success metrics – As a measure of success, report delinquency rates versus conventional borrowers • %-saved metrics - "#### TONS of construction waste saved" The BlackRock Agency MBS Team processes and renders data from Fannie Mae, Freddie Mac, and Ginnie Mae in creation of Impact MBS metrics. Impact MBS metrics will be reported to investors at least on an annual basis. To the extent that an Impact MBS Stories has changed enough from the origin to the point where it can no longer be deemed as achieving impact, no new exposure will be added.	2. Success metrics 3. % saved metrics Inspected evidence of the ongoing monitoring of the metrics using information from Ginnie Mae, Freddie mac and Fannie Mae. Inspect the Annual Impact Report as evidence of the annual reporting to investors.
7	PRINCIPLE 7: Conduct exits considering the effect on sustained impact.	When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.	It is the expectation of the BlackRock's Agency MBS Team that once it purchases a mortgage pool it will continue to own that pool, as the team seeks to be long term investors in these Impact MBS Stories. To the extent that an Impact MBS Stories has changed enough from the origin to the point where it can no longer be deemed as achieving impact, no new exposure will be added. There were no exits from the strategy during the period.	Inspected evidence of the assessments performed on the impact stories, including where an impact story was deemed inappropriate to include in the strategy. Inspected evidence of the ongoing monitoring of the impact stories as evidence of the assessment of whether the impact story is suitable to remain in the strategy. Confirmed via inquiry that there were no exits during the period under review.

8	PRINCIPLE 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.	The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.	The Agency MBS Team hosts a formal Impact MBS meeting weekly, in which impact MBS Stories are discussed, operational and investment mechanics are worked through, as well as the Teams prepayment speed surveillance specific to Impact MBS stories. Impact MBS are completely ingrained in the Team's investment process and follow the same course of action as any trade expression. Impact metrics are made available to investors on a quarterly basis and include a set of 12 metrics that can be grouped into one of the following three categories: Counting metrics, success metrics, and %-saved metrics	Inspected evidence of a sample of weekly meetings where impact stories are discussed. Inspected evidence of the impact metrics reporting to investors on a quarterly basis.
9	PRINCIPLE 9: Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.	The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.	Robust impact management processes are an essential component of BlackRock's impact investing strategies and we commit to annually disclosing on our alignment with the Operating Principles for Impact Management going forward. BlackRock will be completing external verification on a regular cadence and publishing the conclusion of the verifier's assessment. The selection of an external verifier was completed in 2021, the first verification was published in 2022, and the second verification was published in 2023. We will continue to have an external verifier review impact strategies in 2024.	n/a