

**BlackRock**

# **Operating Principles for Impact Management**

BlackRock Disclosure Statement

October 2025

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# Introduction

BlackRock's purpose is to help more and more people experience financial well-being. We dedicate ourselves to looking after and growing the value of our clients' assets over the long-term.

As a fiduciary, we invest on our clients' behalf to help them meet their investment objectives. Our focus is on understanding and managing investment risk, anticipating our clients' needs, and supporting them in achieving their long-term investment goals.

Our sustainable and transition investing activities are no different. Our sustainable platform provides clients with choice to invest in line with their specific investment goals and objectives. Across that platform, products use environmental, social and / or governance data as a portfolio construction input and a subset of those products also seek to achieve long-term sustainability outcomes.

In line with the Global Impact Investing Network's (GIIN) definition, impact strategies at BlackRock intentionally seek to generate positive, measurable environmental and social impact alongside financial returns. They also commit to align with the Operating Principles for Impact Management, which guides industry best practices for defining hallmarks of impact investing like intentionality, measurability and transparency to help strengthen impact management practices.

BlackRock, Inc. (the “Signatory”) hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the “Principles”), which apply to portfolios that are labelled as “Impact” (the “Covered Assets”).

As of October 2025, this Disclosure Statement applies to the following Covered Assets that align with the Principles:

- **BlackRock Climate Infrastructure strategies**, within Global Infrastructure Partners, a part of BlackRock
- **BlackRock Impact Opportunities strategy**, within BlackRock’s Equity Private Markets business
- **BlackRock Private Equity Partners Impact strategy**, within BlackRock’s Private Financing Solutions business
- **BlackRock Impact Bond strategy**, within BlackRock’s Fundamental Fixed Income business
- **BlackRock Impact Emerging Market Debt strategy**, within BlackRock’s Fundamental Fixed Income business
- **BlackRock Green Bond Index strategy**, within BlackRock’s Active and Index Fixed Income businesses.

The total value of the Covered Assets in the strategies listed above, in alignment with the Principles is US\$9.8 billion as of December 31<sup>st</sup>, 2024.<sup>1</sup>

Louise Kooy-Henckel  
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BlackRock  
October 2025

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<sup>1</sup> Stated assets under management includes committed and invested capital as of December 31<sup>st</sup>, 2024 and excludes separately managed accounts.

# Disclosure Statement

## PRINCIPLE 1 – DEFINE STRATEGIC IMPACT OBJECTIVE(S), CONSISTENT WITH THE INVESTMENT STRATEGY

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. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

### **BlackRock Climate Infrastructure Team Approach:**

The Climate Infrastructure strategies, including our Global Renewable Power (“GRP”) and Climate Finance Partnership (“CFP”) franchises each seek to invest capital in a portfolio of climate infrastructure projects and platforms which aim to deliver positive and measurable environmental and social impacts, in addition to financial returns. The Climate Infrastructure team applies the investment strategy at a portfolio level through capital deployment in the effort to achieve appropriate risk adjusted returns and impact objectives. Increased capital deployment is intended to result in increased impact outcomes, demonstrating the size of the investment portfolio is proportionate to overall portfolio impact. Each potential investment is evaluated with reference to certain predefined impacts including greenhouse gas emission avoidance, water savings, homes powered by clean energy<sup>2</sup>, job creation, and community benefits.

These impacts are assessed during the investment process and positive environmental and social impact outcomes are reported back to clients via quarterly investor reports. The positive and measurable environmental and social impacts that the strategies seek are aligned with a subset of the Sustainable Development Goals (SDGs) as currently set forth by the United Nations. Of the current SDGs, the strategies relate, in particular, to SDG 6 (“Clean Water and Sanitation”), SDG 7 (“Affordable and Clean Energy”), SDG 8 (“Decent Work and Economic Growth”), SDG 9 (“Industry, Innovation and Infrastructure”), SDG 11 (“Sustainable Cities and Communities”) and SDG 13 (“Climate Action”), and may align with any future additions or modification to the SDGs.

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<sup>2</sup> For CFP the impact metric used include: ‘number of people benefiting from an improved access to electricity’ and private capital mobilized in addition to water savings from renewable energy generation, number of jobs supported, GHG avoided, and community contributions

### **BlackRock Impact Opportunities Team Approach:**

BlackRock Impact Opportunities (“BIO”) is a return-seeking strategy with a focused impact objective to accelerate the economic outcomes of undercapitalized communities in the U.S. This may include providing capital to businesses or projects that are connected to certain undercapitalized communities, as set forth in a fund’s investment documentation. 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*”) <sup>3</sup>.

The BIO team also has constructed an integrated impact framework to identify, diligence and document how each potential investment achieves the Investment Objective and Impact Objective.

### **BlackRock Private Equity Partners (PEP) Impact Strategy Team Approach:**

The BlackRock Private Equity Partners (PEP) impact strategy aims to generate positive contributions toward the environment and society alongside private equity financial returns. The strategy is designed to offer diversified exposure across the following five impact investment themes: Climate, Resources, Good Health & Wellbeing, Education and Financial Inclusion. PEP seeks to deliver tangible contributions that are aligned with the United Nations Sustainable Development Goals (UN SDGs) and in a manner that is intentional, material, additional and measurable:

- Intentional: A target impact outcome is defined for the holding period of an investment prior to making such investment
- Material: The company’s driver of financial returns must be the driver of impact outcomes supporting the advancement of one or more of the UN SDGs
- Additional: The company may benefit from BlackRock’s capital, network, expertise and/or brand as a strategic investor
- Measurable: Robust measurement of progress in the selected Key Performance Indicators (KPI) against the defined targets for the holding period

The target impact outcomes for each investment are defined in alignment with the respective financial underwriting, ensuring a consistent foundation for achieving both financial returns and impact objectives, as well as the appropriate scale of intended impact.

### **BlackRock Impact Bond Strategy Approach:**

The BlackRock Impact Bond strategy seeks to achieve capital growth and income by investing in a global portfolio of fixed income instruments which seek to deliver positive social and/or environmental impact. The strategy invests globally at least 80% of its total assets in “impact” investments which are those made with the intention to generate positive, measurable social and/or environmental impact alongside a financial return. This includes, but is not limited to “Green, Social and Sustainability” (GSS) bonds where the proceeds of such GSS bonds are tied to green and socially responsible projects, impact MBS securities (as detailed below), impact municipal bonds. The remaining up to 20% would consist of holdings that either qualify as sustainable investments under BlackRock’s SFDR methodology or are

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<sup>3</sup> <https://iris.thegiin.org/document/iris-and-the-five-dimensions/>

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

For the selection of GSS bonds, the Manager will analyze the use of proceeds of the issues and the issuer framework for alignment of the bonds 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 BlackRock global impact universe. The investment universe of GSS bonds is internally created, screening bonds using BlackRock's proprietary taxonomy. Additionally, our aim is to contribute to the development of the GSS bond market by encouraging new issuance of GSS bonds and helping to provide the capital needed to drive sustainable growth.

*Green/Social/Sustainability (GSS) Bond Definition:* A GSS bond is a type of fixed income instrument where proceeds or an equivalent amount will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Green and Social Projects and which are aligned with the four core components of the GBP, SBP and SBG Issuers set the qualifying criteria for these green/social projects and have used the bonds to finance initiatives in fields such as renewable energy, green buildings, wastewater management, energy efficiency and public transportation (for green use of proceeds), and affordable basic infrastructure, access to essential services, affordable housing, employment generation, food security and sustainable food systems, socioeconomic advancement and empowerment (for social use of proceeds).

The Impact Bond strategy also invests in Impact Mortgage-backed securities (MBS). BlackRock's Impact MBS investments seek to achieve a positive social impact through supporting affordable homeownership to underserved populations.

The Impact Bond strategy may also invest in Impact Municipal securities. BlackRock's Impact Municipal strategy seeks to invest in municipal bonds, the proceeds of which the Team views as generating positive social and/or environmental impacts. The strategy intends to focus its investments on municipal bond issuers within certain sectors, including but not limited to the education, healthcare, housing, water and sewer, low-carbon public power issuers, mass transit, and state and local governments sectors that provide essential services to underserved groups/communities that are disadvantaged due to low income, elderly age, race, gender, and lack access to essential services.

### **BlackRock Emerging Market Impact Bond Team Approach:**

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 issuers 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.

**BlackRock Green Bond Index Team Approach:**

The BlackRock Green Bond Index strategy seeks to invest capital in qualifying green bonds selected for inclusion in the Bloomberg MSCI Green Bond indices.

*Green Bond Definition:* A green bond is a type of fixed income instrument that specifically and solely dedicates its proceeds to financing new or existing projects that advance environmental objectives. Issuers set the qualifying criteria for these green projects and have used the bonds to finance initiatives in fields such as renewable energy, green buildings, wastewater management, energy efficiency and public transportation.

Unlike a debt offering from a company that presents its overall operations as environmentally friendly, green bond proceeds are ring-fenced on the issuer's balance sheet, set aside for the exclusive purpose of financing one or more projects deemed environmentally beneficial. A green bond's return, however, is backed by the credit of the issuer as a whole.

*For the Bloomberg MSCI Green Bond indices,* securities are independently evaluated by MSCI Solutions LLC along four dimensions to determine whether a fixed-income security should be classified as a green bond. These eligibility criteria reflect themes articulated in the Green Bond Principles and require clarity about a bond's:

1. Stated use of proceeds; a bond's proceeds must fund projects that fall within one or more qualifying environmental categories including, but not limited to, alternative energy, energy efficiency, pollution prevention and control, sustainable water, green building and climate adaptation.
2. Process for green project evaluation and selection;
3. Process for management of proceeds; and
4. Commitment to ongoing reporting of the environmental performance of the use of proceeds.

## PRINCIPLE 2 – MANAGE STRATEGIC IMPACT ON A PORTFOLIO BASIS

The Manager shall have a process to manage impact achievement on a portfolio basis. 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. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

### **BlackRock Climate Infrastructure Team Approach:**

The Climate Infrastructure strategies apply impact screening criteria across all portfolio investments. Each investment is evaluated on certain predefined impacts including (but not limited to) greenhouse gas emission avoidance, water savings, homes powered with clean energy generated<sup>4</sup>, job creation, private capital mobilized and community benefits. The Climate Infrastructure team monitors achievement of impact, alongside ESG performance, as a key part of the ongoing management of its portfolio of investments.

The impact review process begins during the early stages of the investment due diligence process. ESG considerations alongside the project's potential to generate commercial returns, serve as key criteria for further due diligence.

In the second stage of diligence, the Investment team evaluates multiple dimensions of impact and any potential ESG risks and/or opportunities associated with each investment.

For GRP, performance against expectations is evaluated by the ESG and business improvement teams on a regular basis as part of asset monitoring. Annual ESG updates are communicated through the fourth quarter report shared with investors. Additionally, for CFP, an Annual Impact Report is shared with investors highlighting progress made on impact metrics.

### **BlackRock Impact Opportunities Team Approach:**

The BIO strategy has identified several impact themes and pathways aligned with its stated objective of accelerating the economic outcomes of certain undercapitalized communities in the U.S. A non-exhaustive selection of these themes is listed below:

- Affordable & Workforce housing: Increasing the supply of and access to affordable and workforce housing, and increasing minority participation in real asset development.
- Financial Inclusion: Increasing access to capital and financial services for under-capitalized households and businesses.
- Education & Workforce Development: Improving access to, participation in, and affordability of high-quality education and workforce training across the cradle-to-career continuum for

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<sup>4</sup> For CFP the impact metrics used include: 'number of people benefiting from an improved access to electricity' and private capital mobilized in addition to water savings from renewable energy generation, number of jobs supported, GHG avoided, and community contributions

undercapitalized communities. Investments in training programs and solutions that provide existing and potential undercapitalized workers to obtain quality jobs.

- **Inclusive Transition:** Increasing the adoption of renewable energy and mitigating the negative impacts associated with the transition to a low-carbon economy on undercapitalized communities.
- **Health & Wellness:** Financing health & wellness solutions and providing capital to organizations and facilities promoting the holistic wellbeing of undercapitalized communities.
- **Infrastructure & Digital Connectivity:** Investments that provide core infrastructure and/or promote digital connectivity serving undercapitalized 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*<sup>5</sup> to evaluate whether and how each proposed investment advances the Impact Objective.

<b>IMP's 5 Dimensions of Impact</b>	<b>What?</b>	<b>Who?</b>	<b>How Much?</b>	<b>Contribution</b>	<b>Risk</b>
	What outcome is the investment contributing to?	Which stakeholders are experiencing the outcome? How are they undercapitalized in relation to the outcome?	How many stakeholders experienced the outcome? What was the degree of change?	Did the investment result in outcomes that were likely better than what would happen otherwise?	What is the likelihood the impact will be different than expected?

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 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 at least on 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 that details the impact approach, portfolio level impact management, as well as impact KPIs for each investment that is shared with investors.

To further align team incentives with impact outcomes, our annual team evaluation process also incorporates impact-related considerations alongside traditional financial and operational performance criteria. Evaluations take into account engagement with impact goals and the application of BIO’s Impact Management and Measurement (IMM) framework, recognizing efforts to manage and enhance impact outcomes in line with our overall strategy. Where possible, we also aim to structure and tie a portion of sponsor compensation to the achievement of impact objectives, further supporting alignment between financial success and the delivery of meaningful results.

**BlackRock Private Equity Partners (PEP) Impact Strategy Team Approach:**

PEP implements its impact investment strategies through a rigorous, repeatable and scalable investment process. The process screens potential portfolio companies and primary fund managers

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<sup>5</sup> <https://iris.thegiin.org/document/iris-and-the-five-dimensions/>

with the goal of building a diversified portfolio positioned to achieve both 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 identify direct co-investment opportunities that meet the impact criteria - Intentionality, Materiality, Additionality and Measurability - and align with PEP's impact investment themes. This approach is aligned with the Impact Frontiers Five Dimensions of Impact, 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 impact investment theme, PEP has identified a set of eligible target KPIs from which deal teams select the most relevant based on the core business of the respective company. Additional KPIs can be added as appropriate. Based on the UN PRI Impact Investing Market Map, minimum materiality thresholds have been defined to ensure that the driver of financial returns is also 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 Impact Frontiers Five Dimensions of Impact to assess the intentionality of each underlying manager's investment thesis, their ability to generate positive and measurable contributions, and the potential risks inherent in their strategy.

In line with the strategic intent of this strategy, PEP will select (1) companies where the driver of financial returns is the driver of impact outcomes and (2) funds where the driver of financial returns in the manager's investment thesis is also the driver of impact outcomes. By doing so, the incentive to generate impact outcomes is directly correlated with the incentive to generate strong performance.

PEP is building a global portfolio that provides broad diversification across impact investment themes, industries and sponsors. For the direct investments portion, no more than 50% of a fund's portfolio is allocated to any single impact investment theme. As part of its monitoring process, PEP conducts regular internal account reviews to assess each portfolio and track the progress of investments at a Fund/portfolio level.

Impact metrics are integrated throughout the investment process, from sourcing to exit, with ongoing monitoring against PEP's underwriting criteria for private equity returns and impact outcomes. Progress is reported to investors through annual impact reporting and quarterly financial reporting, ensuring transparency and accountability across both dimensions.

### **BlackRock Impact Bond Strategy Approach:**

The BlackRock Global Fixed Income (GFI) team monitors achievement of impact bond investments, which is a crucial part of the ongoing investment management of the portfolio. First, the investment team analyses how proceeds of the capital raised through GSS bonds, Impact MBS and Impact Municipal bonds will be used. Investments which lack transparency or fail to meet the required standards for impact are omitted from the investment universe.

The second stage of diligence is engagement with issuers, which incorporates an assessment on whether the pre-disclosed use of proceeds is being adhered to, as well as collecting quantifiable impact metrics on the projects funded.

At a holistic portfolio level, investments are mapped to the UN SDGs which they advance, ensuring scalability and consistency across asset classes. At the sub-asset class level, more granular and bespoke metrics will be tracked to identify the impact of investments.

All GSS 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 portfolio level impact reporting for green bonds, helping investors track and understand the tangible impact of an investment. GFI Team will reach out to green bond issuers, if necessary, to help ensure that we have a comprehensive picture of impact reporting provided for the investments in the strategy. We leverage both publicly available data provided by issuers and trusted external data providers to collect, clean and categorize impact and allocation reporting data in data science applications within our BlackRock Aladdin® system, enabling us to assign the appropriate impact for holdings in the strategy, based on projects funded by bond proceeds and the allocation to each bond held in the portfolio. The metrics include, but are not limited to, carbon emissions avoided, renewable capacity installed and energy savings.

Within the nascent markets for social and sustainability bonds, we are seeing the first wave of impact reports from these issuers. We are helping shape the quality of the impact reports we see from issuers as we are among those directly involved in the market as issuers, investors, and asset managers working towards harmonized GSS bond reporting practices, such as the practices adopted by the Green Asset Wallet and the Nasdaq Sustainable Bond Network. We also participate in the executive committee of the [ICMA Green Bond Principles](#). For all holdings in the portfolio, we assess the alignment with the UN SDGs.

For Impact MBS and Impact Municipals, impact KPIs are established by the team at the time of investment to ensure the investment meets the required impact standard and that impact can be quantified.

BlackRock's Global Fixed Income (GFI) team has a well-defined pay for performance philosophy, which incorporates as a factor whether a portfolio manager was able to successfully achieve a fund's investment objective. Where funds seek impact-related outcomes alongside financials returns, portfolio managers are also evaluated on those non-financial, impact objectives. However, there is no explicit assignment of a specific percentage of compensation tied to the quantified level of impact achieved, 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 multi-year performance of the team.

### **BlackRock Emerging Market Impact Bond Team Approach:**

The BlackRock Global Fixed Income ("GFI") 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. 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 on 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 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 issuers held in the strategy directly, if necessary, to help ensure that

we have a comprehensive picture of impact reporting provided for the investment included in the strategy. We leverage both publicly available data provided by issuers and trusted external data providers to collect, clean and categorize impact and allocation reporting data in data science applications within our BlackRock Aladdin® system, enabling us to assign the appropriate impact for holdings in the strategy, based on projects funded by bond proceeds and the allocation to each bond held in the portfolio. The metrics include but not limited to 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<sup>6</sup>. We are represented on the Impact Reporting working group at the ICMA 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's Global Fixed Income (GFI) team has a well-defined pay for performance philosophy, which incorporates as a factor whether a portfolio manager was able to successfully achieve a fund's investment objective. Where funds seek impact-related outcomes alongside financials returns, portfolio managers are also evaluated on those non-financial, impact objectives. However, there is no explicit assignment of a specific percentage of compensation tied to the quantified level of impact achieved, 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 multi-year performance of the team.

### **BlackRock Green Bond Index Team Approach:**

Our process for establishing and monitoring impact performance in the portfolio begins with our efforts to ensure the investible universe consists of eligible green bonds complying with use of proceeds additionality criteria as outlined by the Bloomberg MSCI Green Bond Methodology and BlackRock Green Bond Taxonomy Methodology and ICMA GBP alignment. In this regard, the BlackRock Green Bond Index strategy portfolio management team encourages better green bond issuance in the market by engaging with participants in the green bond ecosystem.

Our investment strategy acts as a catalyst to maintaining robust impact integrity in both the investible universe and our index strategy.

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<sup>6</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf>

## **PRINCIPLE 3 – ESTABLISH THE MANAGER’S CONTRIBUTION TO THE ACHIEVEMENT OF IMPACT**

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). The narrative should be stated in clear terms and supported, as much as possible, by evidence.

### **BlackRock Climate Infrastructure Team Approach:**

The Climate Infrastructure strategies contribute to the achievement of impact through financial channels which include providing development and construction capital for projects as well as engagement and active asset management through the ownership period. Furthermore, the reduction of risk at the investment and portfolio level has the potential to attract lower cost of capital. The investment team, together with the Climate Infrastructure business improvement team, which are comprised of professionals with in-depth knowledge of the technological aspects of potential investments, are involved in leading some of the key deal contractual arrangements to help ensure that projects are built to standard, on time and on budget. Technical expertise and commercial experience are used to help drive additional value to each investment (e.g., potential repowering, which may result in greater generation capacity, and therefore greater potential impact). Each investment is evaluated on a “buy and hold” basis alongside the strategy hold base case to help ensure a long-term view of the viability and impact.

### **BlackRock Impact Opportunities Team Approach:**

The BIO strategy is focused on accelerating economic mobility for U.S.-based undercapitalized groups. We intend to contribute to this impact objective primarily 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 workforce development within organizations, advancement of job quality, etc.).

### **BlackRock Private Equity Partners (PEP) Impact Strategy Team Approach:**

As part of its Impact Strategy, PEP assesses how it can deliver additionality to portfolio investments. Potential contributions include:

- Provision of strategic capital: Companies can benefit from PEP’s capital, network, and expertise as a strategic investor. We view our investment as strategic capital that supports a company’s growth, organically or inorganically, e.g. in view of an IPO.
- Increased company visibility: BlackRock’s brand can draw attention to invested companies and managers, potentially fostering additional investments from other market participants.
- Support for business development: BlackRock can provide tangible support in growing businesses and scaling solutions by leveraging both PEP’s and BlackRock’s networks.

- Engagement on impact outcomes: Through investment ownership and board representation, the PEP team can engage with companies and managers on impact progress, offering access to sustainability expertise and networks.

### **BlackRock Impact Bond Strategy Approach:**

We believe that the launch of the Impact Bond strategy will draw significant capital to impact bond issuers that would not have occurred otherwise, and our end-to-end investment process and engagement strategy provides the feedback loop necessary to improve the integrity and continued growth of the impact bond market. Investors seek to achieve impact through close collaboration with the dedicated sustainable investment professionals in GFI, Capital Markets and Stewardship teams through the following activities:

- Participation and leadership in GSS bond market, impact MBS and impact municipal markets
- Creation of BlackRock's proprietary taxonomy for GSS bonds: To further support the integrity and growth in the green bonds market, we recognize the need for measurability and have developed a proprietary green bond taxonomy that shades each BlackRock-labelled green bond on a scale of Very Light Green to Dark Green, 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 bond universe and readily share our shading taxonomy with issuers and underwriters. A similar taxonomy and shading process exists for social bonds, shading bonds from Light Gold to Dark Gold based on the bond's intended use of proceeds, definition of target population and suitability of use of proceeds in global/local contexts.
- Engagement with issuers to share best practices as BlackRock has played a leadership role in the early development and continued growth of the impact bond market.

As a founding member of the Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines, and as a member of their Executive Committee since their 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, 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 proprietary database of green, social and sustainability bond universe based on our green and social bond taxonomies. Lastly, we continuously engage directly with issuers pre and post issuance.

Our investor contribution work in the green and social bonds market reflects our understanding that for the GSS bond market to endure and thrive, green and social bonds must be supported by an ecosystem anchored on integrity, transparency, and active engagement with issuers and underwriters.

We believe BlackRock Impact MBS investments contribute to the achievement of impact through financial channels, such as directing capital to the affordability programs, and raising awareness and industry focus on affordable and sustainable homeownership.

We believe the BlackRock Impact Municipal strategy has the potential to contribute to the achievement of impact through both financial channels, such as seeking to improve the cost of capital, and non-financial channels, such as engagement with Issuers.

### **BlackRock Emerging Markets Impact Bond Team Approach:**

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 dedicated sustainable investment professionals in GFI, Capital Markets and Stewardship teams through 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 Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines, and as a member of their Executive Committee since their 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, 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.

### **BlackRock Green Bond Index Team Approach:**

We believe that the early launch of the BlackRock Green Bonds Index strategy has drawn significant capital to green bond issuers that would not have occurred otherwise, and our end-to-end investment process and engagement strategy provides the feedback loop necessary to improve the integrity and continued growth of the green bonds market.

BlackRock has played a leadership role in the early development and continued growth of the green bonds market. As a founding member of the Green 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 bonds as an asset category.

In addition to our standard setting work, we provided input and insight to MSCI on the criteria for green bonds in the development of the Bloomberg MSCI Green Bond Indices. MSCI independently finalized the index methodology, and we intentionally selected this specific index to launch our Green Bonds Index strategy because MSCI's Green Bonds assessment framework leverages the Green Bond Principles, which principally aligns with BlackRock's views on green bonds.

On an ongoing basis, we are actively engaged in a feedback loop on the evolution of the Bloomberg MSCI Green Bond Indices. Specifically, we engage directly with MSCI/BBG when we disagree that an issuer should not have been included in the index; we share our views on whether new and innovative themes in the broader market should be captured in the green bond index; and we engage directly with issuers if we feel disclosure is not sufficient. Issuers that lose their green bond status are rejected from the index on a monthly basis.

To further support the integrity and growth in the green bonds market, we recognize the need for measurability and have developed a proprietary green bond taxonomy that shades each BlackRock-labelled green bond on a scale of Very Light Green to Dark Green, 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 bond universe and readily share our shading taxonomy with issuers and underwriters.

Our investor contribution work in the green bonds market reflects our understanding that for the green bonds market to endure and thrive, green bonds must be supported by an ecosystem anchored on integrity, transparency, and active engagement that involves ongoing collaboration with issuers, underwriters, and public regulators.

## **PRINCIPLE 4 – ASSESS THE EXPECTED IMPACT OF EACH INVESTMENT, BASED ON A SYSTEMATIC APPROACH**

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? 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. 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. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

### **BlackRock Climate Infrastructure Team Approach:**

Impacts are assessed at local and investment levels, and impact metrics are aligned with the GIIN’s IRIS+ System and Taxonomy as well as the UN SDGs.

As part of the ongoing tracking of impact performance, the Climate Infrastructure team is in regular dialogue with the investee platform or projects’ asset management teams to identify potential risk mitigation strategies.

### **BlackRock Impact Opportunities Team Approach:**

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 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.

### **BlackRock Private Equity Partners (PEP) Impact Strategy Team Approach:**

PEP's due diligence approach goes beyond a simple "check-the-box" exercise. By applying a disciplined approach to data gathering, PEP seeks to understand what does, or does not, create value in a potential investment, rather than merely confirming that all required information is collected.

PEP's approach is aligned with the Impact Frontiers 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 industry best practices. Each impact investment is evaluated across the Five Dimensions of Impact: What, How Much, Who, Contribution and Risk. PEP then assesses alignment with the UN SDGs and determines specific KPIs based on the expected impact contribution of the direct investment opportunity. These KPIs are tailored to the strategy and sector in which a direct investment operates, while remaining comparable across investments. BlackRock has pre-identified the KPIs most relevant for each business type, and, where applicable, assigns the corresponding GIIN IRIS+ code to ensure standardization and comparability.

For direct co-investments, PEP establishes target expectations for KPI development during the holding period. As part of financial modelling at underwriting, PEP defines ex-ante expectations for KPI progression. PEP employs the same process to measure the ongoing performance of each investment relative to KPIs and financial considerations.

### **BlackRock Impact Bond Strategy Approach:**

Each impact investment must be Material (actively advances one or more of the UN SDGs), Additional (targets areas which would otherwise be underinvested), and Measurable (impact must be quantifiable).

Dedicated sustainable investment professionals in GFI evaluate all GSS bonds at issuance by implementing 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 proprietary Green and Social bond taxonomy. BlackRock has developed a shading system that scores Green, Social and Sustainable bonds according to the impact of the proceeds.

Our due diligence on GSS bonds happens

- (i) at 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) on an ongoing basis, as we closely monitor holdings that receive low ESG scores/controversy indicators, which involves a deep dive by our credit research team and engagement efforts. Such determinations may use a combination of third-party data (MSCI) and internal assessments.

In addition to the above, external frameworks such as the IMP's Five Dimensions<sup>2</sup> and standards such as EU Taxonomy on Sustainable Finance help us assess the expected impact of each investment within the portfolio.

For Impact MBS, 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.

For Impact Municipals, during the due diligence process, the expected impact is assessed prior to making an investment in a project(s) based on the nature of the intended impact and the parameters

for measuring impact. The intended impact is to benefit underserved communities and vulnerable populations by investing in projects predominantly within education, health care, housing, mass transit, and water & sewer that provide essential services to underserved groups/communities.

### **BlackRock Emerging Market Impact Bond Team Approach:**

Dedicated sustainable investment professionals in Global Fixed Income evaluate 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 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 low 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.

### **BlackRock Green Bond Index Team Approach:**

The transparency afforded to green bond investors via impact reporting is a unique feature of the instrument. All green bonds must report the environmental 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 is one of the first asset managers to offer portfolio level impact reporting for a commingled green bond product (iShares Green Bond Index strategy), helping investors to track and understand the tangible impact of an investment. The Global Fixed Income team reaches out to issuers held in the strategy directly, as needed, 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. We have provided the following publications on this very intensive process and the resulting impact report.

[ishares.com/us/literature/presentation/bgrn-impact-report.pdf](https://www.ishares.com/us/literature/presentation/bgrn-impact-report.pdf)

The BlackRock team is collaborating among those directly involved in the market such as issuers, investors, and asset managers to work towards harmonized green bond reporting practices, such as the Green Asset Wallet and the Nasdaq Sustainable Bond Network. We are also represented on the Impact Reporting working group at the ICMA Green Bond Principles.

## **PRINCIPLE 5 – ASSESS, ADDRESS, MONITOR, AND MANAGE POTENTIAL NEGATIVE IMPACTS OF EACH INVESTMENT**

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 negative impact risks. 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. As part of portfolio management, the Manager shall monitor investees' negative impact risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

### **BlackRock Climate Infrastructure Team Approach:**

The Climate Infrastructure Team recognizes the environmental, social and governance risks of our investments and is committed to managing these risks in a responsible manner, ensuring compliance with applicable laws and regulations. Given the long term and physical nature of our renewable power and climate infrastructure investments, we consider effective ESG assessment and management to be a fundamental component of risk management.

During the due diligence phase, the investment team assesses the ESG risks of a prospective investment in the form of an ESG due diligence assessment. The ESG assessment provides a comprehensive framework to the investment teams across the Climate Infrastructure platform, to assist with identifying and collating information on any potential ESG risks associated with new investments.

The findings aim to identify any key risks associated with each investment and enable greater due diligence, and ultimately improved investment decision making. Key findings are included in the Investment Committee papers for each investment.

In the post-investment phase, the investment team and the business improvement team work collaboratively with the project's asset manager or management team to closely monitor ESG characteristics and engage as needed, to address any unexpected events. Highlighted ESG risks are monitored and reviewed on a regular basis via dedicated Quarterly Portfolio Review processes and/or via direct engagement with the investees' ESG team.

### **BlackRock Impact Opportunities Team Approach:**

The BIO strategy structures the mitigation of key negative impact risks with portfolio companies at the onset of the investment and will monitor these risks over time. Should an impact-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 impact-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 negative impact risk on behalf of the BIO strategy:

**When evaluating investments, the BIO investment team considers material ESG risks and opportunities, which may have a material impact throughout the investment life cycle, alongside traditional investment characteristics. Material ESG data and information that are factored into our investment processes may include, but are not limited to:**

Environmental	Social	Governance
<ul style="list-style-type: none"> <li>Local environment</li> <li>Pollution risks</li> <li>Climate risks</li> <li>Climate resilience</li> <li>Energy use and supply</li> <li>Water use and supply</li> <li>Waste management</li> <li>Local biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Labor management</li> <li>Health and safety</li> <li>Local communities</li> <li>Occupiers and users</li> <li>Infrastructure Integration</li> </ul>	<ul style="list-style-type: none"> <li>Governance structure</li> <li>Business integrity</li> <li>Regulation and compliance</li> <li>Corporate governance</li> </ul>

Our approach to integration material ESG data and information within our investment process is outlined below:

Sourcing and screening	<ul style="list-style-type: none"> <li>Initial ESG assessments are performed to identify any material ESG risk or concerns that require a more extensive due diligence process.</li> <li>Analysis helps inform decisions on whether to progress the investment opportunity or not</li> <li>This may include activities such as desktop reviews of key project documentation, including planning permission conditions and environmental impact assessments</li> </ul>
Due diligence	<ul style="list-style-type: none"> <li>ESG risk assessments are undertaken for all new investments; this may include the use of proprietary ESG questionnaires, reviews from external consultants, and site visits</li> <li>We aim to identify and quantify the financial impacts of material ESG risks and integrate these into valuation models as appropriate</li> <li>This may include the identification of the counterparty who we believe is best placed to manage the relevant ESG risk, and due diligence on the lead sponsor when we are investing as a debt provider</li> </ul>
Investment committee approval	<ul style="list-style-type: none"> <li>Material ESG risks and opportunities are recorded throughout the investment process and, where appropriate, discussed with the relevant investment committee (IC)</li> <li>Recommendations will be made using a reasonable and considered professional judgment based on the information and data available</li> <li>BlackRock Private Markets will not invest if the relevant IC determines that any material ESG risks cannot be sufficiently quantified or mitigated</li> </ul>
Measurement and monitoring	<ul style="list-style-type: none"> <li>We establish, where appropriate, ESG key performance indicators to assist in ongoing risk management and help drive continual improvements in our ESG performance</li> <li>Where possible, we aim to measure and monitor the environmental impacts associated with our investments</li> <li>Where appropriate, we include ESG information in our client reporting</li> </ul>

### **BlackRock Private Equity Partners (PEP) Impact Strategy Team Approach:**

Negative externalities are evaluated and addressed, as required, during the due diligence process. This assessment forms an integral part of the PEP impact scorecard that is considered for the final investment decision. PEP has designed an impact scorecard for both direct co-investments and primary investments.

For direct co-investments, the PEP impact scorecard seeks to identify the risks and potential negative externalities associated with the investment, spanning from the resources and components used in the production process, to a potential undesired impact for a wide range of stakeholders (including clients, the workforce and society as a whole) associated with the products or services delivered by the company. For each identified risk, mitigating actions are defined and documented as part of the due diligence process on the company.

In the context of primary investments, the PEP impact scorecard assesses the nature and significance of potential risks, as well as the likelihood that the investment’s contribution to impact outcomes may diverge from expectations.

In parallel to this impact-focused evaluation, PEP conducts comprehensive Environmental, Social and Governance (ESG) due diligence for all investments made across its platform. For direct co-

investments, PEP applies a core set of minimum material exclusions, referred to as baseline screens. These baseline screens set a minimum material threshold in regard to PEP's ESG tolerance, establishing a limit for what PEP will not invest in, based solely on idiosyncratic ESG concerns. PEP baseline screens include, but are not limited to, material exposure to thermal coal, controversial weapons and UN Global Compact violations. PEP leverages RepRisk, the leading ESG and reputational risk-focused data provider, to support the tracking of high ESG risk assets, UN Global Compact violations and ESG incidents. This acts as an additional public source for ESG data or information relating to investments.

Secondly, PEP applies a framework that BlackRock developed to identify and monitor investments we consider to be particularly exposed to elevated E, S and/or G-related investment risks through their sector or business practices.

Finally, PEP conducts a detailed analysis of material ESG risk factors and integrates the findings into the overall investment risk assessment. Where feasible, PEP works with GPs and company management to mitigate risks through a variety of ways including, but not limited to, the purchasing of insurance, hiring safety and environmental specialists, and/or sharing best practices. Areas of focus can include environmental regulatory compliance and outstanding litigation, material labor-related incidents or investigations, and/or the company's ethical track record including corruption and internal controls. PEP's focus lies on obtaining a clear picture of how ESG-related risks and opportunities may affect the risk and performance of an investment.

As part of ongoing investment monitoring processes, PEP engages with GPs and/or company management on key developments relating to ESG:

- 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 the thresholds of PEP's baseline screens and any new material ESG risk incidents and/or UNGC violations flagged on RepRisk

ESG progress may also be influenced by leveraging board seats, shareholder rights and Limited Partner Advisory Committee (LPAC) positions.

### **BlackRock Impact Bond Strategy Approach:**

The BlackRock Impact Bond strategy integrates 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, issuer and country level. Our global presence and on-the-ground, local research provide 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 proprietary ESG score card.

There are two areas that the Investment Manager and dedicated sustainable investment professionals in GFI focus on when evaluating the negative impacts of investments in impact bonds. The first is around the specified use of proceeds. Proceeds must be used as intended for an investment to maintain their impact label. BlackRock is also keen that the use of proceeds from impact investments follow globally accepted norms around do-no-significant harm (DNSH), whether that is environmental or social.

There are two areas that BlackRock focuses 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 also keen that the use of proceeds from a green bond follows globally accepted norms around DNSH, whether that is environmental or social. As we rely on, and encourage adherence to, the ICMA Green and Social Bond Principles, we highlight language that is embedded in the 2021 Green and Social Bond Principles under the second pillar “Process for Project Evaluation and Selection”:

The issuer of a Green Bond should clearly communicate to investors:

- *Complementary information on processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s).*

Issuers are also encouraged to:

- *Have a process in place to identify mitigants to known material risks of negative social and/or environmental impacts from the relevant project(s). Such mitigants may include clear and relevant trade-off analysis undertaken and monitoring required where the issuer assesses the potential risks to be meaningful.*

Additionally, within our BlackRock Taxonomy guidelines for Green and Social bonds, bonds are excluded if they have negative potential environmental or social externalities for certain categories. For example:

*Due to their potential environmental and social externalities, large-scale hydroelectric projects are only eligible if they satisfy one of the following international sustainability best practices:*

- *Hydropower Sustainability Protocol – published assessment report and score of 3 or above (i.e. in line with “Good Practices”) on all relevant pillars; or*
- *Operating Principals for Impact Management – publicly stated commitment to meet the requirements outlined by all eight impact principals.*

All holdings must meet DNSH criteria. Furthermore, the strategy has explicit exclusion criteria in categories, including controversial weapons, tobacco producers, oil & gas and UN Global Compact violators.

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 income market ecosystem is consistent with our client’s sustainable objectives, driving positive change, maintaining or promoting high standards and best practice. We have a stewardship team covering multiple voting markets across the globe. This 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.

For Impact MBS, in addition to 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.

For Impact Municipals, in addition to documenting the positive impact the strategy is achieving, as a matter of policy, we seek to avoid investing in specific categories deemed to have negative externalities, including tobacco bonds, high carbon public power issuers and state and local debt secured by/for jails, lottery, gaming and alcohol. Our municipal impact framework focuses on investing in sectors that have

better sustainability characteristics, including but not limited to, education, healthcare, housing, water and sewer, low-carbon public power issuers, and mass transit. =

### **BlackRock Emerging Market Impact Bond Team Approach:**

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 provide 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 income market ecosystem is consistent with our sustainable objectives, driving positive change, maintaining or promoting high standards and best practice. We have a stewardship team covering multiple voting markets across the globe. This 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 dedicated sustainable investment professionals in GFI can address/manage any potential negative impacts of each investment within the portfolio.

### **BlackRock Green Bond Index Team Approach:**

There are two areas that BlackRock focuses on when evaluating the negative impacts of investments in the green bond space. The first is around the "ringfenced use of proceeds". BlackRock is keen that the use of proceeds from a green bond follows globally accepted norms around Do No Significant Harm, whether that is environmental or social. As we rely on and encourage adherence to the ICMA Green Bond Principles, we highlight language that is embedded in the 2021 Green Bond Principles under the second pillar "Process for Project Evaluation and Selection":

The issuer of a Green Bond should clearly communicate to investors:

- *Complementary information on processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s).*

Issuers are also encouraged to:

- *Have a process in place to identify mitigants to known material risks of negative social and/or environmental impacts from the relevant project(s). Such mitigants may include clear and relevant trade-off analysis undertaken and monitoring required where the issuer assesses the potential risks to be meaningful.*

Additionally, within the MSCI guidelines for Green Bond Index, bonds are excluded if they have negative potential environmental or social externalities for certain categories. For example,

- *Due to their potential environmental and social externalities, large-scale hydroelectric projects are only eligible if they satisfy one of the following international sustainability best practices:*
- *Hydropower Sustainability Protocol – published assessment report and score of 3 or above (i.e. in line with “Good Practices”) on all relevant pillars; or*
- *Operating Principals for Impact Management - publicly stated commitment to meet the requirements outlined by all eight impact principals.*

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 income market ecosystem is consistent with our sustainable objectives, driving positive change, maintaining or promoting high standards and best practice. We have a stewardship team covering multiple voting markets across the globe. This 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 dedicated sustainable investment professionals in GFI can address/manage any potential negative impacts of each investment within the portfolio.

## **PRINCIPLE 6 – MONITOR THE PROGRESS OF EACH INVESTMENT IN ACHIEVING IMPACT EXPECTATIONS AND RESPOND APPROPRIATELY**

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. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. 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).

### **BlackRock Climate Infrastructure Team Approach:**

The Climate Infrastructure Team has developed reporting processes to monitor progress towards achieving impact performance over the short and medium term. These reports track key performance indicators for each investment through data compiled from annual reports provided to our team by the investee platform and/or dedicated asset managers. The key impact metrics are defined for our investments to capture tangible outputs. When impact is significantly different from expectations, portfolio team members engage with the investee platform and/or appointed third-party asset manager to determine the appropriate action to pursue.

The team has governance processes in place to ensure effective communication between appointed third-party asset managers and the Climate Infrastructure business improvement team which enables performance updates to be delivered to the wider team via a monthly reporting framework.

### **BlackRock Impact Opportunities Team Approach:**

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 shortcomings, to learn about any new directions of the business, and to collaborate with management to build a better long-term picture of 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 yearend 2024, all investments in the portfolio have met or are on track to meet initial impact trajectory and thesis expectations.

### **BlackRock Private Equity Partners (PEP) Impact Strategy Team Approach:**

PEP applies a consistent process to monitor each investment's ongoing performance, assessing both impact outcomes (KPIs) and financial outcomes. The investment team conducts ongoing monitoring by (i) collecting and analyzing financial data, including annual and quarterly reports; (ii) holding regular meetings with sponsors and management teams; (iii) when possible, actively participating on boards of directors and advisory boards of investments or securing board observer rights; and (iv) maintaining continuous informal communication with sponsors and management teams.

Through its ownership positions and board participation, PEP maintains active engagement with sponsors and management teams to track and support progress on impact objectives. BlackRock exercises its influence as necessary to help ensure that each investment remains 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 to facilitate active and ongoing participation in governance.

Investment performance transparency is provided through quarterly financial reports. The progress achieved, by direct co-investments toward target impact outcomes (KPIs) and by primary investments based on their respective strategy, is communicated to investors annually through dedicated impact reporting.

### **BlackRock Impact Bond Strategy Approach:**

The GFI Team has a stringent due diligence process, which takes place 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 one year of issuance. Reporting will be monitored, and bonds can be removed if the issuer fails to report. An eligible impact bond's prospectus or supporting documentation must clearly identify the specific criteria and process for determining eligible projects or investments. 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 Operating Principals for Impact Management. The due diligence process involves a detailed write up on the issue and the green/social project, which is being funded. Notes on impact bond investments are stored in BlackRock's proprietary investment management platform Aladdin® and maintained following the annual reviews. Investment management teams create and maintain a credit and ESG scorecard for each issuer the portfolio is invested in.

For Impact Municipals, the Team defines key investment themes and how we will measure and monitor each at an investment level before investing in a project and evaluates an investment's impact over time. On an annual basis for our clients, we anticipate formally reporting impact metrics for an Issuer's calendar year or fiscal year period. The team obtains data from publicly available sources, including but not limited to, an issuer's annual disclosure report, public websites, and state and federal databases.

If an impact investment no longer meets the required standard, BlackRock 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.

### **BlackRock Emerging Market Impact Bond Team Approach:**

The GFI 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 2024, 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 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 2024, no bonds were removed from the portfolio due to ineligibility under BlackRock's GSS Framework.

### **BlackRock Green Bond Index Team Approach:**

We engage and follow-up with issuers on an annual basis when we follow up with updating the green bond strategy impact report to ensure that we as investors are comfortable with each green bond and green bond program's use of proceeds. We chose the index suite as the green bond index because as a part of the index schema, for an issuance to be classified as a green bond, a security's use of proceeds must fall within one of MSCI's defined environmental categories: alternative energy, energy efficiency, pollution prevention & control, sustainable water, green building, climate adaptation. At issuance, issuers must report on eligible projects or state its commitment to report within one year of issuance. Reporting will be monitored, and bonds can be removed if the issuer fails to report at least annually. An eligible green bond's prospectus or supporting documentation (such as a green 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.

## **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.

### **BlackRock Climate Infrastructure Team Approach:**

The Climate Infrastructure investment strategy is intrinsically impactful as renewable power and other climate infrastructure investments have inherent positive environmental and social impacts through the generation of clean energy. Moreover, the team continuously seeks to encourage continuous positive impact of each investment during its holding period which may enhance the likelihood that a future buyer of the investment will be able to procure an impactful investment.

### **BlackRock Impact Opportunities Team Approach:**

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 control investments with due consideration to optimize impact while also remaining committed 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 December 2025, BIO had one exit – its investment with Indian Energy was refinanced out and paid off on August 30, 2024.

### **BlackRock Private Equity Partners (PEP) Impact Strategy Team Approach:**

As a minority investor, PEP does not control the exit process. However, in close alignment with the sponsor, the team seeks to maximize both financial returns and impact outcomes, as measured against the target impact outcomes (KPIs) defined at the time of underwriting.

To support this objective, PEP established an Impact Exit Committee, which meets as needed to review potential, viable exit options and assess their alignment with the strategy's impact objectives. PEP places particular importance on understanding a prospective buyer's intentions post-transaction, specifically how the exit may affect the company, its stakeholders, and the investment's ongoing ability to generate positive environmental and social outcomes.

As of December 2025, no exits occurred within the strategy.

### **BlackRock Impact Bond Strategy Approach:**

We may need to trim or eliminate an issuance from the portfolio due to financial or risk management considerations. As an asset manager, BlackRock is a fiduciary to our clients, and we want to be sure that impact instruments in which we invest deliver their intended environmental and/or social benefits. Thus, we will also exit a position if an issuance loses its impact status, either due to failure to report on

use of proceeds or a failure to disclose impact reporting metrics. When exiting a position, we aim to continue our engagement with the issuer to help enhance its impact through our strategic, impact-outcomes oriented recommendations. If an issuance no longer meets our material, additional, and measurable criteria for impact, we eliminate the issuance from the portfolio.

**BlackRock Emerging Market Impact Bond Team Approach:**

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.

**BlackRock Green Bond Index Team Approach:**

We may need to trim or eliminate an issuance from the portfolio due to financial or risk management considerations. As a fiduciary to our clients, BlackRock wants to be sure that green bonds deliver their intended environmental benefits. Thus, we will also exit a position if a green bond ends up losing its green label either due to failure to report on use of proceeds in line with green bond principles or failure to disclose impact reporting metrics, and when the green bond exits the index due to the same reasons. When exiting a position, we aim to continue our engagement with the issuer to help enhance its impact through our strategic, impact-outcomes oriented recommendations. If an issuance no longer meets our material, additional, and measurable criteria for impact or is removed from the index, we eliminate the issuance from the portfolio.

## **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.

### **BlackRock Climate Infrastructure Team Approach:**

The Climate Infrastructure Team's investment strategy was established to invest in renewable power projects and platforms as well as climate infrastructure assets that seek to deliver positive and measurable environmental and social impacts, in addition to financial returns. A review of the impact performance of our investments is a critical aspect of how value is created for our investors.

### **BlackRock Impact Opportunities Team Approach:**

For BlackRock Impact Opportunities, 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.

### **BlackRock Private Equity Partners (PEP) Impact Strategy Team Approach:**

As part of its monitoring process, PEP conducts regular internal account reviews to evaluate each portfolio's progress toward its target impact outcomes at the fund/portfolio level. These reviews also serve as a forum for sharing lessons learned, with the aim of continuously improving impact outcomes over time.

### **BlackRock Impact Bond Strategy Approach:**

The portfolio management team and dedicated sustainable investment professionals in GFI are in regular discussion to review current and potential holdings. Sector specialist teams conduct deep dives on their respective asset classes. For example, 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 Team's prepayment speed surveillance specific to Impact MBS stories. In addition, the Impact Bond Strategy investment team completes an annual assessment of investment

review and reporting processes, adjusting where necessary to further align with best practices and industry standards.

**BlackRock Emerging Market Impact Bond Team Approach:**

GFI Team reviews the strategy's current and potential holdings in regular discussions with the Investment Manager. In addition, GFI 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.

**BlackRock Green Bond Index Team Approach:**

Our core portfolio management, product strategy and GFI ESG Investment teams review new issuances and updates on existing issuances daily. We conduct a monthly rebalancing review that goes through issuance by issuance all of the current pending issuances for index inclusion, follow up with issuers to dig into allocations and project expenditures for raised bond proceeds, review all new included and excluded issuances, and feedback to the index our views and thoughts. We also conduct our deepest dive on each bond's impact metrics on an annual basis. We also publish a monthly report to our clients that discusses updates to the index monthly. This process allows us to reflect deeply on our processes, achievement of impact, and lessons learned, with the goal of improving over time.

## **PRINCIPLE 9 – PUBLICLY DISCLOSE ALIGNMENT WITH THE 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.

In 2021, BlackRock selected PwC to independently verify our impact management processes across strategies. The first verification was published in 2022. The second verification was published in 2023 and can be found [here](#). We would expect the next external verification in 2026.

Independent verification information:

Name and Address: PricewaterhouseCoopers LLP (“PwC”)  
7 More London Riverside, London, SE1 2RT

Most Recent Review: October 2023