BlackRock

Sustainability-related Website Disclosure

BGF US Government Mortgage Impact Fund

Effective Date: 06 May 2025

This website disclosure provides sustainability-related information about the Fund pursuant to Article 10. of the EU Sustainable Finance Disclosure Regulation (EU) 2019/2088 ("SFDR").

A. Summary

The Fund invests in Sustainable Investments. BlackRock defines Sustainable Investments as investments in issuers or securities that contribute to an environmental or social objective, do not significantly harm any of those objectives and where investee companies follow good governance practices. BlackRock refers to relevant sustainability frameworks to identify the alignment of the investment to environmental or social objectives. Sustainable Investments should also meet the do no significant harm (DNSH) requirements, as defined by applicable law and regulation. BlackRock has developed a set of criteria to assess whether an issuer or investment does significant harm. BlackRock invests in Sustainable Investments which contribute to a range of environmental and / or social objectives which may include but are not limited to, alternative and renewable energy, energy efficiency, pollution prevention or mitigation, reuse and recycling, health, nutrition, sanitation and education and the UN Sustainable Development Goals. The Fund seeks to (i) apply the BlackRock EMEA Baseline Screens.

This Fund applies the EU Paris-aligned Benchmark Exclusions.

The Fund invests at least 80% of its total assets in fixed income securities issued or guaranteed by the United States Government, its agencies or United States government sponsored enterprises which have a positive social and/or environmental impact. These include Government National Mortgage Association (GNMA) mortgage backed certificates and other United States Government securities representing ownership interests in mortgage pools, such as mortgage-backed securities (MBS) issued by Fannie Mae and Freddie Mac which have social and/or environmental impact characteristics that the Investment Adviser (IA) has at its discretion deemed to be impactful, including (without limitation) rural housing, manufactured housing, housing pools issued by State Housing Finance Authorities and bespoke impact MBS pools. The binding elements of the strategy are as follows: (1) Maintain that all of the Fund's investments will be Sustainable Investments (save for instruments used for the purposes of liquidity management and/or hedging, which will not exceed 20% of the Fund's total assets). In relation to such Sustainable Investments, at least 15% of the Fund's total assets will be invested in Sustainable Investments with environmental objectives that are not aligned with the EU Taxonomy, and at least 1% of the Fund's total assets will be invested in Sustainable Investments with a social objective; (2) Apply the BlackRock EMEA Baseline Screens and exclusionary screens; (3) Maintain that the investment strategy reduces the investment universe of the Fund by at least 20%; and (4) Ensure that more than 90% of the issuers of securities in which the Fund invests (excluding money market funds) shall be ESG rated or have been analysed for ESG purposes. This Fund takes into account the PAIs through BlackRock's DNSH standard for Sustainable Investments.

All of the Fund's investments will be Sustainable Investments or instruments used for the purposes of liquidity management and/or hedging. Investments used for the purposes of liquidity management and/or hedging will not exceed 20% of the Fund's total assets.A minimum of 80% of the Fund's total assets will be invested in Sustainable Investments, however, the Fund does not commit to separate minimum levels of investment in Sustainable Investments with environmental or social objectives. The Fund may invest up to 20% of its total assets in other investments. The Fund does not currently commit to investing more than

0% of its assets in Sustainable Investments with an environmental objective aligned with the EU Taxonomy, however, these investments may form part of the portfolio.

The Fund does not currently commit to invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy, however, these investments may form part of the portfolio.

BlackRock has developed a highly automated compliance process to help ensure that the Fund is managed in accordance with its stated investment guidelines and applicable regulatory requirements. This includes monitoring of the environmental or social characteristics of the Fund in accordance with the relevant methodology. BlackRock has developed a proprietary methodology for determining Sustainable Investments and the Fund uses a number of other methodologies to measure the attainment of the sustainable investment objective.

BlackRock Portfolio Managers have access to research, data, tools, and analytics to integrate ESG insights into their investment process. ESG datasets are sourced from external third-party data providers, including but not limited to MSCI, Sustainalytics, Refinitiv, S&P and Clarity AI. BlackRock applies a comprehensive due diligence process to evaluate provider offerings with highly targeted methodology reviews and coverage assessments based on the sustainable investment strategy of the product. Data, including ESG data, is received through our existing interfaces, and then processed through a series of quality control and completeness checks which seeks to ensure that data is high-quality data before being made available for use downstream within BlackRock systems and applications, such as Aladdin. BlackRock strives to capture as much reported data from companies via 3rd party data providers as practicable, however, industry standards around disclosure frameworks are still evolving, particularly with respect to forward looking indicators. As a result, in certain cases we rely on estimated or proxy measures from data providers to cover our broad investible universe of issuers.

BlackRock continues to monitor developments in the EU's ongoing implementation of its framework for sustainable investing and its investment methodologies seeking to ensure alignment as the regulatory environment changes. ESG data sets are constantly changing and improving as disclosure standards, regulatory frameworks and industry practice evolve. BlackRock continues to work with a broad range of market participants to improve data quality. Sustainable investing and understanding of sustainability is evolving along with the data environment. Industry participants face challenges in identifying a single metric or set of standardized metrics to provide a complete view on a company or an investment. BlackRock has therefore established a framework to identify sustainable investments taking into account the regulatory requirements.

BlackRock applies a high standard of due diligence in the selection and ongoing monitoring of investments made by the Fund for the purpose of compliance with the investment, liquidity and risk guidelines of the Fund, as well as the sustainability risk and ESG criteria and general performance.

Engagement with companies in which we invest our clients' assets occurs at multiple levels within BlackRock. Where investment teams choose to leverage engagement, this can take a variety of forms but, in essence, the portfolio management team would seek to have regular and continuing dialogue with executives or board directors of engaged investee companies to advance sound governance and sustainable business practices targeted at the identified ESG characteristics and principal adverse indicators, as well as to understand the effectiveness of the company's management and oversight of

activities designed to address the identified ESG issues. Engagement also allows the portfolio management team to provide feedback on company practices and disclosures.

There is no specific index designated as a reference benchmark to meet the sustainable investment objective of the Fund.

B. No significant harm to the sustainable investment objective

Sustainable Investments meet the DNSH requirements, as defined by applicable law and regulation. BlackRock has developed a set of criteria across all Sustainable Investments to assess whether an issuer or investment does significant harm. Investments considered to be causing significant harm do not qualify as Sustainable Investments.

The indicators for adverse impacts on sustainability factors for each type of investment are assessed using BlackRock's Sustainable Investments proprietary methodology. BlackRock uses third-party data and/or fundamental analysis to identify investments which negatively impact sustainability factors and cause significant harm.

Sustainable Investments are assessed to consider any detrimental impacts and ensure compliance with international standards of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. Issuers deemed to have violated these conventions are not considered as Sustainable Investments.

C. Sustainable investment objective of the financial product

The Fund invests at least 80% of its total assets in fixed income transferable securities issued or guaranteed by the United States Government which have a positive social and/or environmental impact.

"Impact" investments are those which are made with the intention to generate positive, measurable social and/or environmental impact alongside a financial return. Investment decisions for the Fund will be based on agency and program specific research to identify and select the fixed income securities described above that, in the opinion of the Investment Adviser, have the potential to produce attractive income returns whilst having a positive social and/or environmental impact. The team evaluates existing housing programs and initiatives to determine the level of social and/or environmental impact and how the programs or initiatives support increased access to home ownership, savings to borrowers, support the increase affordable housing supply, and / or reduce barriers to the provision of affordable housing credit.

The Fund invests a minimum of 80% of its total assets in Sustainable Investments, across environmental and social objectives. In relation to such Sustainable Investments, at least 15% of the Fund's total assets will be invested in Sustainable Investments with environmental objectives that are not aligned with the EU Taxonomy, and at least 1% of the Fund's total assets will be invested in Sustainable Investments with a social objective. BlackRock defines Sustainable Investments as investments in issuers or securities that contribute to an environmental or social objective, do not significantly harm any of those objectives and where investee companies follow good governance practices. BlackRock refers to relevant sustainability frameworks to identify the alignment of the investment to environmental or social objectives.

BlackRock invests in Sustainable Investments which contribute to a range of environmental and / or social objectives which may include but are not limited to, alternative and renewable energy, energy efficiency, pollution prevention or mitigation, reuse and recycling, health, nutrition, sanitation and education and the UN Sustainable Development Goals ("Environmental and Social Objectives").

An investment will be assessed as contributing to an Environmental and/or Social Objective where:

a) minimum proportion of the issuer's business activity contributes to an Environmental and/or Social Objective; or.

b) the issuer's business practices contribute to an Environmental and/or Social Objective; or.

c) the use of proceeds is assessed as contributing to an Environmental and/or Social Objective such as green bonds, social bonds, and sustainability bonds; or.

d) the fixed income securities are aligned with an Environmental and/or Social Objective.

The Fund applies the BlackRock EMEA Baseline Screens. This set of screens avoids exposures that have negative environmental outcomes by excluding direct investment in issuers that have material involvement in thermal coal and tar sands extraction, as well as thermal coal-based power generation. Negative social outcomes are also avoided by excluding direct investment in issuers involved in controversial weapons and nuclear weapons, and material involvement in production and distribution of civilian firearms and tobacco. This Fund also excludes issuers deemed to have failed to comply with the 10 UN Global Compact Principles, which cover human rights, labour standards, the environment, and anti- corruption.

This Fund applies the EU Paris-aligned Benchmark Exclusions.

The Fund promotes limiting global temperature rises within the targets set in the Paris Agreement by excluding investment in companies that have 1% or more of their revenue deriving from exploration, mining, extraction, distribution or refining of hard coal and lignite; have 10% or more of their revenue deriving from the exploration, extraction, distribution or refining of oil fuels; have 50% or more of their revenue deriving from the exploration, extraction, manufacturing or distribution of gaseous fuel; or have 50% or more of their revenue deriving from electricity generation having a greenhouse gas intensity greater than 100g CO2 e/kWh.

The Fund also promotes social characteristics related to (a) reduction of the availability of weapons by excluding investment in companies with involvement in activities related to controversial weapons; (b) better health and well-being by excluding investment in companies involved in the cultivation and/or production of tobacco; and (c) support for human rights, labour standards, the environment and anti-corruption by excluding investment in companies deemed to have failed to comply with the 10 UN Global Compact (UNGC) Principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines forMultinational Enterprises.

In order to apply these exclusions, we rely on a third-party data provider (MSCI).

The Fund may invest in Green, Social and Sustainability (GSS) bonds issued by a company, which are intended to raise proceeds specifically for projects that promote positive environmental and / or social contributions, and aimed at mitigating adverse sustainability impacts, such as investment in renewable

energy or energy efficiency, based on information available in the bond's issuance documentation. Such investments in GSS bonds will, instead of being subject to all the EU Paris-aligned Benchmark Exclusions at issuer level, be subject to:

- The EU Paris-aligned Benchmark Exclusions relating to UNGC and OECD violations (as described in (c) above) at the issuer level; and
- The other EU Paris-aligned Benchmark Exclusions described above at the level of the economic activities financed by the GSS bond.

The Fund may gain indirect exposure for non-investment purposes (through, including but not limited to, derivatives and shares or units of collective investment schemes) to issuers with exposures that are inconsistent with the EU Paris-aligned Benchmark Exclusions described above. Circumstances in which such indirect exposure may arise include, but are not limited to, where a counterparty to a FDI in which the Fund invests posts collateral which is inconsistent with the Fund's ESG criteria or where a CIS in which the Fund invests does not apply any or the same ESG criteria as the Fund and so provides exposure to securities which are inconsistent with the Fund's ESG criteria.

The Fund does not use a reference benchmark for the purposes of attaining the ESG characteristics that it promotes.

D. Investment strategy

The Fund invests at least 80% of its total assets in fixed income securities issued or guaranteed by the United States Government, its agencies or United States government sponsored enterprises which have a positive social and/or environmental impact. These include Government National Mortgage Association (GNMA) mortgage backed certificates and other United States Government securities representing ownership interests in mortgage pools, such as mortgage-backed securities (MBS) issued by Fannie Mae and Freddie Mac which have social and/or environmental impact characteristics that the Investment Adviser (IA) has at its discretion deemed to be impactful, including (without limitation) rural housing, manufactured housing, housing pools issued by State Housing Finance Authorities and bespoke impact MBS pools.

More than 90% of the issuers of securities the Fund invests in are ESG rated or have been analysed for ESG purposes.The Fund will apply the BlackRock EMEA Baseline Screens.

The Fund will apply the BlackRock EMEA Baseline Screens.

The Fund applies the EU Paris-aligned Benchmark Exclusions.

The binding elements of the strategy are as follows:

1. Maintain that all of the Fund's investments will be Sustainable Investments (save for instruments used for the purposes of liquidity management and/or hedging, which will not exceed 20% of the Fund's total assets). In relation to such Sustainable Investments, at least 15% of the Fund's total assets will be invested in Sustainable Investments with environmental objectives that are not aligned with the EU Taxonomy, and at least 1% of the Fund's total assets will be invested in Sustainable Investments with a social objective.

2. Apply the BlackRock EMEA Baseline Screens and exclusionary screens.
3. Maintain that the investment strategy reduces the investment universe of the Fund by at least 20%.
4. Ensure that more than 90% of the issuers of securities in which the Fund invests (excluding money market funds) shall be ESG rated or have been analysed for ESG purposes.

Consideration of principal adverse impacts on sustainability factors

This Fund takes into account the PAIs through BlackRock's DNSH standard for Sustainable Investments. This Fund will provide information on the PAIs in its annual report.

Good governance policy

BlackRock assesses good governance practices of the investee companies by combining proprietary insights and shareholder engagement by the Investment Adviser, with data from external ESG research providers. BlackRock uses data from external ESG research providers to initially identify issuers which may not have satisfactory governance practices in relation to key performance indicators (KPIs) related to sound management structure, employee relations, remuneration of staff and tax compliance.

Where issuers are identified as potentially having issues with regards to good governance, the issuers are reviewed to ensure that, where the Investment Adviser agrees with this external assessment, the Investment Adviser is satisfied that the issuer has either taken remediation actions or will take remedial actions within a reasonable time frame based on the Investment Adviser's direct engagement with the issuer. The Investment Adviser may also decide to reduce exposure to such issuers.

E. Proportion of Investments

All of the Fund's investments will be Sustainable Investments or instruments used for the purposes of liquidity management and/or hedging. Investments used for the purposes of liquidity management and/or hedging will not exceed 20% of the Fund's total assets.

A minimum of 80% of the Fund's total assets will be invested in Sustainable Investments, however, the Fund does not commit to separate minimum levels of investment in Sustainable Investments with environmental or social objectives. In relation to these Sustainable Investments, at least 15% of the Fund's total assets will be invested in Sustainable Investments with environmental objectives that are not aligned with the EU Taxonomy, and at least 1% of the Fund's total assets will be invested in Sustainable Investments with a social objective. The remainder of the Fund's Sustainable Investments may fluctuate between these types of Sustainable Investment.

The Fund may invest up to 20% of its total assets in other investments.

Where derivatives are used for investment purposes, they are assessed against the criteria for Sustainable Investments. Derivatives may also be used for limited other purposes such as liquidity and hedging, and any ESG rating or analyses referenced above will apply only to the underlying investment in respect of such derivatives.

The Fund does not currently commit to investing more than 0% of its assets in Sustainable Investments with an environmental objective aligned with the EU Taxonomy, however, these investments may form part of the portfolio.

The Fund does not currently commit to invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy, however, these investments may form part of the portfolio.

The Fund does not commit to making investments in transitional and enabling activities, however, these investments may form part of the portfolio.

A minimum of 15% of the Fund's total assets will be invested in Sustainable Investments with environmental objectives that are not aligned with the EU Taxonomy.

The Fund invests in Sustainable Investments that are not aligned with the EU Taxonomy for the following reasons: (i) it is part of the investment strategy of the Fund; (ii) data to determine EU Taxonomy-alignment may be unavailable; and / or (iii) underlying economic activities may not be eligible under the EU Taxonomy's available technical screening criteria or may not comply with all requirements set out in such technical screening criteria.

A minimum of 1% of the Fund's total assets will be invested in Sustainable Investments with a social objective.

Other holdings are limited to 20% and may include derivatives, cash and near cash instruments and shares or units of CIS and fixed income transferable securities (also known as debt securities) issued by governments and agencies worldwide.

The use of such investments does not affect the delivery of the sustainable investment objective, as these investments are used for the purposes of liquidity management and/or hedging.

No other holdings are considered against minimum environmental or social safeguards.

F. Monitoring of sustainable investment objective

BlackRock has developed a highly automated compliance process to help ensure that the Fund is managed in accordance with its stated investment guidelines and applicable regulatory requirements. This includes monitoring of the environmental or social characteristics of the Fund in accordance with the relevant methodology as described in 'Section G – Methodologies'.

Portfolio Managers have the primary responsibility for complying with the contractual terms of the prospectus and other governing documents for the Fund and are supported by Aladdin, BlackRock's portfolio and risk management software.

The Portfolio Compliance Group ("PCG"), a group within BlackRock's Business Operations, is responsible for the coding of the Fund's investment restrictions, that are capable of being coded, within BlackRock's pre and post trade compliance monitoring system in Aladdin. Where an investment restriction cannot be coded, a manual process is established for guidelines testing.

Pre-Trade & Post Trade Monitoring

When a trade or order is created, the transaction is reviewed against the Fund's investment guidelines by the front-end compliance system on a real time basis prior to execution. If a non-compliant condition is detected, the trade or order will be unable to progress further.

Compliance tests are also run on a post trade basis overnight based on the end-of-day positions and reported on a T+1 basis. Compliance exceptions and warnings are identified and escalated for investigation to relevant investment professionals, who will engage with relevant subject matter experts as appropriate to resolve. Identification and investigation of potential items is recorded on an electronic system that contains a comprehensive workflow which provides an audit trail. Appropriate corrective action will be taken as needed to resolve exceptions.

The monitoring of certain ESG characteristics may not be able to be automated due to system functionality or data limitations. Such ESG characteristics are subject to periodic review and monitoring, to ensure that the product adheres to the related commitments.

Breaches are reported as required under our regulatory obligations to the relevant management company, auditor, depositary and regulator.

Where BlackRock delegates part of the management of a Fund to a third-party manager, the third-party manager is responsible for ensuring compliance with the investment guidelines and investment restrictions as per the agreed Investment Management Agreement in place, including those pertaining to the environmental or social characteristics for the Fund. The investment restrictions pertaining to the environmental or social characteristics are generally communicated to the third-party manager which may updated by BlackRock from time to time in line with the environmental and social characteristics of the Fund. When the third-party manager runs a passive strategy, the third-party manager may also monitor whether the environmental or social characteristics are met by tracking a benchmark index embedding these characteristics in its methodology. BlackRock receives a daily feed of the positions held by the third-party manager and runs post-trade compliance checks in accordance with the back-end compliance process previously described. BlackRock also undertakes periodic due diligence on third party manager to ensure the monitoring frameworks in place remain appropriate.

G. Methodologies

BlackRock has adopted the following methodologies in respect of this Fund:

Sustainable Investments Methodology

BlackRock has developed a proprietary methodology for determining Sustainable Investments which is broken down into a four-part assessment:

(i) Economic activity contribution to environmental and/or social objectives;

(ii) Do no significant harm;

(iii) Meets minimum safeguards; and

(iv) Good governance (where relevant).

It is necessary for an investment to meet all four limbs of this test to be considered a Sustainable Investment. Sustainable Investments are subject to a robust oversight process to ensure that regulatory standards are met.

(i) Economic activity contribution to environmental and/or social objectives.

Environmental and social objectives.

The Fund invests in Sustainable Investments which contribute to a range of environmental and / or social objectives which may include but are not limited to alternative and renewable energy, energy efficiency, pollution prevention or mitigation, reuse and recycling, health, nutrition, sanitation and education and the UN Sustainable Development Goals ("Environmental and Social Objectives").

Economic activity assessment.

Having defined the environmental and social objectives, the economic activity assessment of a Sustainable Investment will be established by reference to one or more of the following:

Business activity.

- Where more than 20% of its revenue attributable to products and/or services is systematically mapped as contributing to Environmental and/or Social Objectives using third-party vendor data. Fundamental analysis may also be used to assess a company where there is no third-party vendor data or where an analyst determines that the data is inaccurate or that there is a more appropriate materiality metric than revenue for identifying a company's contribution such as capital expenditure or recycled inputs.

Business practices.

- Where the issuer has set a de-carbonization target in accordance with the Science Based Targets initiatives as validated by third-party vendor data or by way of fundamental assessment.
- Demonstrable leadership attribute that evidences a company's critical role as an enabler of sustainable practices.

Fixed income securities.

- A use-of-proceeds bond will be a Sustainable Investment where the use of proceeds substantially contributes to an Environmental and/or Social Objective as determined by fundamental assessment.
- Other fixed income securities will be a Sustainable Investment where the security is aligned with Environmental and/or Social Objectives as determined by fundamental assessment such as environmental and/or social asset-backed and mortgage-backed securities issued by supranational entities committed to the promotion of UN SDGs.

A fund's Sustainable Investments may have any or all of the above Environmental and/or Social Objectives depending on the investment strategy of the fund.

(ii) Do no significant harm (DNSH)

Sustainable Investments meet the DNSH requirements, as defined by applicable law and regulation. BlackRock has developed a set of criteria across all Sustainable Investments to assess whether an investment does significant harm which consider both third party data points as well as fundamental insights. Investments are screened against these criteria using system-based controls and any which are considered to be causing significant harm do not qualify as Sustainable Investments. BlackRock assesses the indicators for adverse impacts on sustainability factors for each type of investment as defined by the regulation.

Criteria for adverse impacts are assessed using third-party vendor data regarding an investment's business involvement (in specific activities identified as having negative environmental or social impacts) or environmental or social controversies to exclude investments which BlackRock has determined are harmful to sustainability indicators subject to limited exceptions, for example, where the data is determined to be inaccurate or not up to date.

Where no data is available, or it is substantially incomplete, fundamental analysis will be undertaken using reasonable efforts to identify impacts which BlackRock determines to be harmful to the sustainability indicators.

(iii) Meet minimum safeguards.

Sustainable Investments are assessed using third party data provider information to consider compliance with international standards of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. Issuers deemed to have violated these conventions are not considered as Sustainable Investments.

(iv) Good Governance.

In respect of its good governance assessment BlackRock uses data from external third-party ESG research providers to initially identify issuers which may not have satisfactory governance practices in relation to key performance indicators (KPIs) related to the criteria outlined above. Where issuers are identified as potentially having issues with regards to good governance, the issuers are reviewed to ensure that, where the Investment Advisor/Manager agrees with this external assessment, the Investment Advisor/Manager is satisfied that the issuer has either taken remediation actions or will take remedial actions within a reasonable time frame based on the Investment Advisor's/Manager's direct engagement with the issuer. The Investment Advisor/Manager may also decide to reduce exposure to such issuers. Funds' indirect exposures to issuers with good governance failings are limited to de minimis levels by internal controls and are also monitored on a periodic basis to ensure that this indirect exposure remains at de minimis levels.

Other methodologies

In addition, the following methodologies are used to measure the attainment of the sustainable investment objective:

1. The Fund applies the BlackRock EMEA Baseline Screens. Further details on the BlackRock EMEA Baseline Screens methodology are available at: https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screens-in-europe-middleeast-and-africa.pdf.

The Fund via the environmental and/or social characteristics of its strategy has been assessed as considering a set of principal adverse impact indicators (PAIs) as defined within the SFDR Regulatory Technical standards. We have assessed whether and how these are fully or partially considered and outline how those characteristics map to those PAIs in our pre contractual and periodic reporting.

H. Data sources and processing

Data Sources

BlackRock Portfolio Managers have access to research, data, tools, and analytics to integrate ESG insights into their investment process. Aladdin is the operating system that connects the data, people, and technology necessary to manage portfolios in real time, as well as the engine behind BlackRock's ESG analytics and reporting capabilities. BlackRock's Portfolio Managers use Aladdin to make investment decisions, monitor portfolios and to access material ESG insights that can inform the investment process to attain ESG characteristics of the Fund.

ESG datasets are sourced from external third-party data providers, including but not limited to MSCI, Sustainalytics, Refinitiv, S&P and Clarity AI. These datasets may include headline ESG scores, carbon emissions data, business involvement metrics or controversies and have been incorporated into Aladdin tools that are available to Portfolio Managers and employed in BlackRock investment strategies. Such tools support the full investment process, from research, to portfolio construction and modelling, to reporting.

Measures taken to ensure Data Quality

BlackRock applies a comprehensive due diligence process to evaluate provider offerings with highly targeted methodology reviews and coverage assessments based on the sustainable investment strategy (and the environmental and social characteristics or sustainable objective) of the product. Our process entails both qualitative and quantitative analysis to assess the suitability of data products in line with regulatory standards as applicable.

We assess ESG providers and data across five core areas outlined below:

1. Data Collection: this includes but is not limited to assessing the data providers underlying data sources, technology used to capture data, process to identify misinformation and use of machine learning or human data collection approaches. We will also consider planned improvements.
2. Data Coverage: our assessment includes but is not limited to the extent to which a data package provides coverage across our investible universe of issuers and asset classes. This will include consideration of the treatment of parent companies and their subsidiaries as well as use of estimated data or reported data.
3. Methodology: our assessment includes but is not limited to consideration of the third-party providers methodologies employed, including considering the collection and calculation approaches, alignment to industry or regulatory standards or frameworks, materiality thresholds and their approach to data gaps.
4. Data Verification: our assessment includes but is not limited to the third party providers' approaches to verification of data collected and quality assurance processes including their engagement with issuers.

5. Operations: we assess a variety of aspects of a data vendors operations, including but not limited to their policies and procedures (including consideration of any conflicts of interest) the size and experience of their data research teams, their training programs, and their use of third-party outsourcers.

Additionally, BlackRock, actively participates in relevant provider consultations regarding proposed changes to methodologies as they pertain to third party data sets or index methodologies and submits considered feedback and recommendations to data provider technical teams. BlackRock often has ongoing engagement with ESG data providers including index providers to keep abreast of industry developments.

How data is processed

At BlackRock, our internal processes are focused on delivering high-quality standardized and consistent data to be used by investment professionals and for transparency and reporting purposes. Data, including ESG data, received through our existing interfaces, and then processed through a series of quality control and completeness checks which seeks to ensure that data is of a high-quality before being made available for use downstream within BlackRock systems and applications, such as Aladdin. BlackRock's integrated technology enables us to compile data about issuers and investments across a variety of environmental, social and governance metrics and a variety of data providers and make those available to investment teams and other support and control functions such as risk management.

Use of Estimated Data

BlackRock strives to capture as much reported data from companies via 3rd party data providers as practicable, however, industry standards around disclosure frameworks are still evolving, particularly with respect to forward looking indicators. As a result, in certain cases we rely on estimated or proxy measures from data providers to cover our broad investible universe of issuers. Due to current challenges in the data landscape, while BlackRock relies on material amount of estimated data across our investible universe, the levels of which may vary from data set to data set, we seek to ensure that use of estimates is in line with regulatory guidance and that we have necessary documentation and transparency from data providers on their methodologies. BlackRock recognizes the importance in improving its data quality and data coverage and continues to evolve the data sets available to its investment professionals and other teams. Where required by local country-level regulations, funds may state explicit data coverage levels.

I. Limitations to methodologies and data

Limitations to Methodology

Sustainable investing is an evolving space, both in terms of industry understanding but also the regulatory frameworks on both a regional and global basis. BlackRock continues to monitor developments in the EU's ongoing implementation of its framework for sustainable investing and is seeking to evolve its investment methodologies to ensure alignment as the regulatory environment changes. As a result, BlackRock may update these disclosures, and the methodologies and sources of data used, at any time in the future as market practice evolves or further regulatory guidance becomes available.

The UN Sustainable Development Goals and sub-targets are used by BlackRock as a list of environmental and/or social objectives. Any assessment will be undertaken strictly in accordance with the methodology set out in the Prospectus. Assumptions associated with the conventional use of the SDGs are not

considered as part of the assessment including but not limited to applicable geographical limitations and those commitments that may be limited by time or scope, such as goals that may be applicable only to governments.

Limitations in relation to the data sources are noted below.

Limitations to Data

ESG data sets are constantly changing and improving as disclosure standards, regulatory frameworks and industry practice evolve. BlackRock continues to work with a broad range of market participants to improve data quality.

Whilst each ESG metric may come with its own individual limitations, data limitations may broadly be considered to include, but not be limited to:

- Lack of availability of certain ESG metrics due to differing reporting and disclosure standards impacting issuers, geographies or sectors.
- Nascent statutory corporate reporting standards regarding sustainability leading to differences in the extent to which companies themselves can report against regulatory criteria and therefore some metric coverage levels may be low.
- Inconsistent use and levels of reported vs estimated ESG data across different data providers, taken at varied time periods which makes comparability a challenge.
- Estimated data by its nature may vary from realized figures due to the assumptions or hypothesis employed by data providers.
- Differing views or assessments of issuers due to differing provider methodologies or use of subjective criteria.
- Most corporate ESG reporting and disclosure takes place on an annual basis and takes significant time to produce meaning that this data is produced on a lag relative to financial data. There may also inconsistent data refresh frequencies across different data providers incorporating such data into their data sets.
- Coverage and applicability of data across asset classes and indicators may vary.
- Forward looking data, such as climate related targets may vary significantly from historic and current point in time metrics.

For more information about how metrics that are presented with sustainability indicators are calculated, please see the Fund's annual report.

Sustainable Investments and Environmental and Social criteria

Sustainable investing and understanding of sustainability is evolving along with the data environment. Industry participants face challenges in identifying a single metric or set of standardized metrics to provide a complete view on a company or an investment. BlackRock has therefore established a framework to identify sustainable investments, taking into account the regulatory requirements.

BlackRock uses third-party vendor data in assessing whether investments cause significant harm and have good governance practices. There may be some circumstances where data is unavailable, incomplete, or inaccurate, in which case fundamental assessments may be undertaken, taking a proportionate approach and using reasonable efforts, to identify issues likely to have a significant impact. Despite reasonable efforts, information may not always be available in which case a subjective assessment will be made based on BlackRock's knowledge of the investment or industry. In certain cases data may reflect actions that issuers may have taken only after the fact, and do not reflect all potential instances of significant harm.

J. Due Diligence

BlackRock applies a high standard of due diligence in the selection and ongoing monitoring of investments made by the Fund for the purpose of compliance with the investment, liquidity and risk guidelines of the Fund, as well as the sustainability risk and ESG criteria and general performance. Portfolio Managers are subject to pre and post trade controls within the investment platform where the funds promote environmental or social characteristics, integrate sustainability into the investment process in a binding manner or have a sustainable investment objective. The Investment Oversight team conducts due diligence engagement with the portfolio managers and oversees internal restrictions that may expand upon requirements set out in the fund prospectus. The Portfolio Managers also comply with related EMEA policies, including Investment Due Diligence policies which have been updated to integrate sustainability risk. Legal and Compliance have implemented a framework to ensure that the relevant policies and procedures are adopted and complied with by all employees, including Portfolio Managers.

The Investment Adviser integrates sustainability risks into the investment due diligence process of the Fund. The portfolio managers of the Fund are primarily responsible for considering sustainability risks. They are subject to an oversight framework within the Investment Adviser and BlackRock's risk management function, RQA group also provides independent reviews of sustainability risks and the compliance team provides further oversight and monitors the ESG requirements relevant to each fund and the investment restrictions for each fund. RQA, serves as the second line of defence in BlackRock's risk management framework. RQA is responsible for BlackRock's Investment and Enterprise risk management framework which includes oversight of sustainability-related investment risks. RQA Investment Risk conducts regular reviews with portfolio managers to ensure investment teams are advised of relevant sustainability risks, complementing the first-line monitoring and oversight of sustainability considerations across our investment platform. RQA also has a dedicated Sustainability Risk Team that partners with risk managers and businesses to reinforce this constructive engagement. RQA collaborates with working groups throughout the Investments Platform and with Aladdin Sustainability Lab to advance the firm's sustainability toolkit through consultation on firmwide data, modelling, methodologies, and analytics. In addition, BlackRock makes data relating to principal adverse impacts (PAI) available to all portfolio managers. Please note that at present PAI data coverage varies in respect of markets, asset class and sectors. BlackRock as part of its implementation of ESG regulatory requirements including SFDR is working closely with data providers and investment teams to ensure that robust and reliable information goes through appropriate due diligence processes and is made available where possible. For further information, please see section 'Section D – Investment strategy' above.

K. Engagement Policies

The Fund

The Fund does not use engagement as a means of meeting its binding commitments to environmental or social characteristics or sustainable investment objectives. Engagement may form part of the Due Diligence carried out by the portfolio management team for funds pursuing Fixed Income investment strategies in order to assess how companies manage ESG risks and opportunities and how these impact companies financials. Where applicable, we use engagement to discuss concerns, understand opportunities and share constructive feedback, based on the view that material ESG issues are intractably tied to a business's long term strategy and fundamental value. Engagement may be undertaken in collaboration with the Business Investment Stewardship team however, this is not always the case and can be undertaken directly. The Fixed Income portfolio management team may also use engagement with corporate treasurers when they are in the process of issuing green and social bonds to ensure a robust issuance.

General

Engagement with companies in which we invest our clients' assets occurs at multiple levels within BlackRock.

Where engagement is specifically identified by a particular portfolio management team as one of the means by which they seek to demonstrate a commitment to environment, social and governance issues within the context of SFDR, the methods by which the effectiveness of such engagement policy and the ways in which such an engagement policy may be adapted in the event that they do not achieve the desired impact (usually expressed as a reduction in specified principal adverse indicators) would be described in the prospectus and website disclosures particular to that fund.

Where investment teams chooses to leverage engagement, this can take a variety of forms but, in essence, the portfolio management team would seek to have regular and continuing dialogue with executives or board directors of engaged investee companies to advance sound governance and sustainable business practices targeted at the identified ESG characteristics and principal adverse indicators, as well as to understand the effectiveness of the company's management and oversight of activities designed to address the identified ESG issues. Engagement also allows the portfolio management team to provide feedback on company practices and disclosures.

Where a relevant portfolio management team has concerns about a company's approach to the identified ESG characteristics and/or principal adverse indicators, they may choose to explain their expectations to the company's board or management and may signal through voting at general meetings that they have outstanding concerns, generally by voting against the re-election of directors they view as having responsibility for improvements in the identified ESG characteristics or principal adverse indicators.

Separate from the activities of any particular portfolio management team, at the highest level, as part of its fiduciary approach, BlackRock has determined that it is in the best long-term interest of its clients to promote sound corporate governance as an informed, engaged shareholder. At BlackRock, this is the responsibility of BlackRock Investment Stewardship. Principally through the work of BIS team, BlackRock meets the requirements in the Shareholder Rights Directive II ('SRD II") relating to engagement with public

companies and other parties in the investment ecosystem. A copy of BlackRock's SRD II engagement policy can be found at https://www.blackrock.com/corporate/literature/publication/blk-shareholder-rights-directiveii-engagement-policy-2022.pdf.

BlackRock's approach to investment stewardship is outlined in the BIS Global Principles and market-level voting guidelines. The BIS Global Principles set out our stewardship philosophy and our views on corporate governance and sustainable business practices that support long-term value creation by companies. We recognize that accepted standards and norms of corporate governance differ between markets; however, we believe there are certain fundamental elements of governance practice that are intrinsic globally to a company's ability to create long-term value. Our market-specific voting guidelines provide detail on how BIS implements the Global Principles – taking into consideration local market standards and norms – and inform our voting decisions in relation to specific ballot items for shareholder meetings. BlackRock's overall approach to investment stewardship and engagement can be found at: https://www.blackrock.com/uk/professionals/solutions/shareholder-rights-directive and https://www.blackrock.com/corporate/about-us/investment-stewardship.

In undertaking its engagement, BIS may focus on particular ESG themes, which are outlined in BlackRock's voting priorities https://www.blackrock.com/corporate/literature/publication/blk-stewardship-priorities-final.pdf.

L. Attainment of the sustainable investment objective

There is no specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

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