

BlackRock Netherlands B.V. (‘BNBV’)

Investment Firm Regulation ESG Public Disclosure

For the period ending 31 December 2025

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1. Introduction and context

1.1 Purpose

BlackRock (Netherlands) B.V. ('BNBV', 'BNBV Solo', 'the firm') is headquartered in the Netherlands and is regulated by the Autoriteit Financiële Markten / The Netherlands Authority for the Financial Markets ('AFM') as the primary regulator, and De Nederlandsche Bank ('DNB') from a prudential perspective. BNBV is an Investment Firm authorised under the Markets in Financial Instruments Directive ('MiFID')¹ and falls under the prudential framework consisting of the Directive (EU) 2019/2034 ('the Investment Firm Directive,' 'IFD') and the Regulation (EU) 2019/2033 ('the Investment Firm Regulation', 'IFR').

Under Part Six of the IFR, in conjunction with the applicable technical standards and guidelines issued by the European Banking Authority ('EBA'), BNBV is required to publicly disclose the following quantitative and qualitative information: (i) risk management objectives and policies; (ii) governance arrangements; (iii) capital adequacy, levels of own funds held and own funds requirements; (iv) remuneration policies and practices; (v) investment policy; and (vi) environmental, social and governance ('ESG') risks, to provide transparency to their investors and the wider markets.

This document fulfils the public disclosure requirements related to 'ESG risks'², hereafter referred to as 'sustainability risks', under Part Six, and specifically Article 53, of the IFR for BNBV Solo and the BNBV Investment Firm Group ('BNBV Group'). Further information on the structure of BNBV Group is provided in sections 1.2 and 1.3 below. This disclosure should be read and considered in conjunction with the broader BNBV Public Disclosure made under Part Six, and specifically Article 46, of the IFR. As no template for the IFR Article 53 disclosure has been mandated by the EBA, this disclosure has been prepared with reference to guidance provided by the EBA on ESG risks in accordance with Article 35 of the IFD.

This disclosure document has been reviewed internally and approved by the Board of Directors of BNBV ('BNBV Board', 'the Board') for publication on the BlackRock website (<https://www.blackrock.com/nl/particuliere-beleggers/educatie/documentatie>).

1.2 BlackRock structure

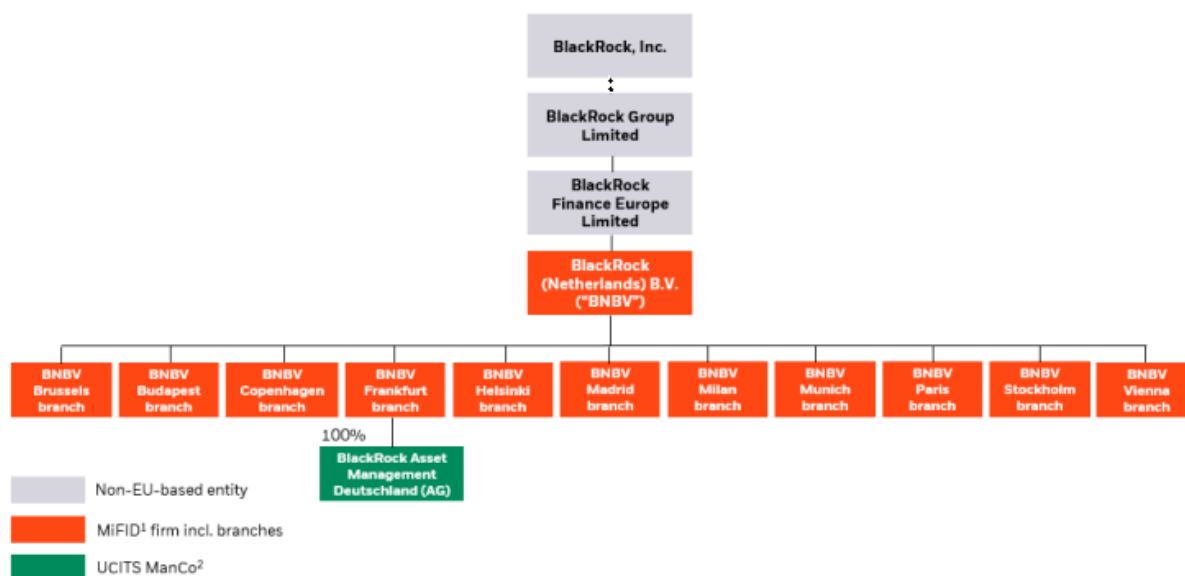
The firms which form the BNBV Group are illustrated in Figure 1. BNBV is a subsidiary of BlackRock Finance Europe Limited³ which is owned by BlackRock Group Limited ('BGL'). BGL, the holding company for certain of BlackRock's regulated business in Europe, the Middle East and Africa ('EMEA') (referred to collectively as the 'BGL Group'), is regulated in the United Kingdom ('UK') by the Financial Conduct Authority ('FCA'). The ultimate holding company for the BGL Group is BlackRock, Inc. (together with its subsidiaries, 'BlackRock').

¹ Investment firm license (MiFID), Article 2:96 Financial Supervision Act (Wet op het financieel toezicht / 'Wft'). In addition to the investment firm licence, the company also utilised an intermediary (financial servicing) licence, Article 2:80 Wft, that allowed BNBV to service the residential and commercial mortgages portfolio of one of BNBV's institutional clients. With the transfer of the client's activities, the licence was revoked on 1 December 2025.

² ESG risks or sustainability risks, are the risks of any negative financial impact on BNBV stemming from the current or prospective impacts of ESG factors on its investee companies or invested assets. ESG factors are environmental, social or governance matters that may have a positive or negative impact on the financial performance or solvency of an entity, sovereign or individual.

³ As at 31 December 2025, the Company's immediate holding company was BlackRock Finance Europe Limited. On 19 January 2026, the Company's immediate holding company changed to BlackRock Group Limited.

Figure 1 Summarised BNBV Group structure as at 31 December 2025



¹ MIFID is defined as Markets in Financial Instruments Directive.

² UCITS is defined as Undertakings in Collective Investment in Transferable Securities and ManCo is defined as Management Company.

BNBV holds a 100% controlling interest in a German subsidiary, BlackRock Asset Management Deutschland AG ('BAMDE') and a 24.26% economic interest in a German entity, Scalable GmbH ('Scalable'). Scalable is not regulated under IFR, however, it has three subsidiaries; Scalable Capital GmbH which is a digital investment manager and brokerage firm regulated under IFR, Scalable Capital Limited, which is a non-regulated UK company, and JustETF GmbH which is a non-regulated German company.

1.3 Basis of preparation

Article 5 of the IFR requires a firm to make public disclosures under Part Six of the IFR on an individual basis. Article 7(1) of the IFR requires firms to also comply with the requirements of Part Six (amongst other Parts) on a consolidated basis. Consequently, BNBV is required to disclose information on sustainability risks in line with Article 53 of the IFR on both an individual basis (i.e., for BNBV and its branches), and for the BNBV Group.

Under Article 7 of the IFR, prudential consolidation applies with respect to all investment firms, financial institutions, ancillary services undertakings, and tied agents which form part of an investment firm group. During 2024, Commission Delegated Regulation (EU) 2024/1771 ('the Delegated Regulation') entered into force, specifying the scope and methods for prudential consolidation to be adopted for the purpose of IFR Article 7.

Prior to the publication of the Delegated Regulation, Scalable was included as a participation in the scope of the BNBV Group prudential consolidation. Following a review of the Delegated Regulation, and specifically Article 2, which clarifies the scope of prudential consolidation to be adopted for the purpose of IFR Article 7, it has been determined that BNBV's economic interest in Scalable does not meet the criteria for prudential consolidation. As a result, Scalable is no longer included in the prudential consolidation of the BNBV Group.

Article 46 of the IFR requires all information disclosed under Part Six to be published on the same date as the firm's annual financial statements. In addition, Article 53 of the IFR requires the disclosure on sustainability risks to be published biannually. BNBV will therefore publish an IFR Article 53 disclosure for the reference periods ending 30 June and 31 December each year.

In preparing this disclosure, BNBV has:

- Applied the principle of proportionality, taking into account its business model, size, the complexity of its activities and services, and the materiality of its exposure to sustainability risks; and
- Taken a gradual approach by giving greater focus to the integration of sustainability risk considerations within the firm’s business strategy and governance arrangements in the first years of disclosure.

BNBV has disclosed all the information that it deems material. There have been no material changes in relation to BNBV’s business in the six-month reference period ending 31 December 2025 that would impact this disclosure. For the purpose of this disclosure, information is regarded as material if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions.

1.4 Other sustainability-related disclosures

In addition to the requirements of the IFR, BNBV is also required to comply with the requirements of the Sustainable Finance Disclosure Regulation (“SFDR”)⁴. This includes the requirement to prepare and publish a Statement on principal adverse impacts (“PAIs”) of investment decisions on sustainability factors (“the PAI statement”). BNBV is required to publish a PAI statement no later than 30 June of each calendar year for the 12-month reference period that ends 31 December of the year preceding publication. The BNBV SFDR PAI statement is prepared for BNBV on a solo basis. BAMDE, which, as noted above, is a subsidiary of BNBV, also prepares an SFDR PAI statement.

The BNBV and BAMDE PAI statements include quantitative disclosures associated with the assets that BNBV and BAMDE, respectively, manage on behalf of their clients. The quantitative disclosures included in the PAI statement encompass 18 mandatory PAI indicators including, illustratively, the absolute Greenhouse Gas emissions associated with investments in investee companies, tonnes of emissions to water generated by investee companies, and exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) in investee companies. The PAI statements also include disclosure of two voluntary PAI indicators; for this purpose, both BNBV and BAMDE have elected to disclose (i) the share of investments in investee companies without carbon emission reduction initiatives aligned with the Paris Agreement, and (ii) the share of investments in entities without a human rights policy.

This disclosure should be read and considered in conjunction with the BNBV and BAMDE PAI statements.

⁴ This is a reference to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

2. Governance

A strong corporate governance framework is critical to executing on BlackRock's strategy, fulfilling BlackRock's fiduciary responsibilities to clients, and serving employee and shareholder interests over the long term.

BlackRock's governance with respect to sustainability-related matters reflects its commitment to strong leadership and oversight at the senior management and BlackRock Board levels. BlackRock's Board engages with senior leaders on near and long-term business strategy and reviews management's performance in delivering long-term financial value creation on behalf of clients. Helping clients meet their investment objectives and preferences, including for those clients focused on sustainability, is a critical component of BlackRock's overall business strategy and among one of several senior management responsibilities over which the BlackRock Board has oversight. The BlackRock Global Executive Committee ("GEC") informs and operationalises BlackRock's strategy, including with respect to sustainability. At BlackRock, sustainability issues are integrated into and regularly part of Board-level discussions of overall BlackRock and business line strategy, and responsibility for sustainability oversight is shared across the full BlackRock Board and its committees. BlackRock's Proxy Statement, Governance Overview and Corporate Governance Guidelines provide more information on BlackRock's Corporate Governance framework, including the role and responsibilities of the BlackRock Board.⁵

Although BlackRock's strategy, including as it relates to sustainability, is developed and reviewed at a global level, it is designed to meet requirements applicable to all of BlackRock's locations. The BNBV Board aligns with BlackRock's strategy via its oversight and scrutiny of investment services offered by BNBV and ensures that it meets with local regulatory requirements, including as they relate to sustainability.

The BNBV Board has a critical role to play in ensuring that BNBV is aware of, and able to navigate, an ever-evolving risk landscape. BNBV operates under a one-tier management board structure with a division of responsibility between the Non-Executive Directors ("NEDs") and the Executive Directors. Whilst the Executive Directors and NEDs are jointly responsible for BNBV's strategy and its implementation, certain tasks are divided amongst the NEDs and Executive Directors.

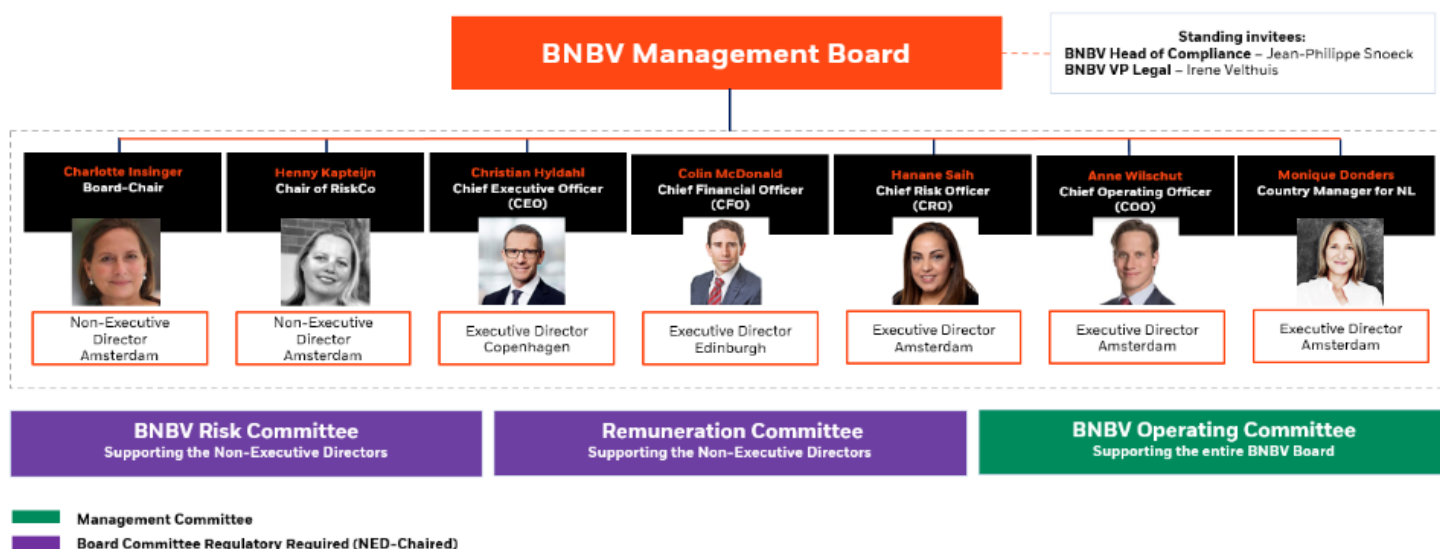
The NEDs, responsibilities focus primarily on the composition, appointment, succession, and effectiveness of the BNBV Board. This includes conducting an assessment of the skills, experience, independence, knowledge, and diversity of both the individual Directors and the Board collectively. In addition, the NEDs are responsible for conducting a performance evaluation of the effectiveness of the BNBV Board, including the assessment of the Board structure, size, and composition. These reviews take place at least every two years and include consideration of sustainability-related knowledge and experience.

BNBV is committed to the highest governance standards. Sound internal governance arrangements are fundamental to the BNBV operational set up. The BNBV Board, in alignment with the IFR good governance guidelines, has adopted a governance structure comprised of Board and management committees to provide review, challenge, and oversight of the firm's risks. Governance arrangements, processes and mechanisms are in place to ensure BNBV has sufficient data and information to assess the group-wide risk profile. In addition, BNBV leverages a range of cross-functional BlackRock committees within BlackRock EMEA and globally.

The BNBV Board leverages three governance committees in the discharge of its responsibilities. These committees are the Operating Committee, the Risk Committee and the Remuneration Committee. The Operating committee primarily supports operational management of the BNBV Board and is comprised of Executive Directors and key function holders. The Risk Committee is set up in accordance with the governance requirements under IFR and with Article 28 of the IFD to advise and support BNBV's NEDs on BNBV's overall current and future risk appetite and strategy. Lastly, the BlackRock Management Development and Compensation Committee ("MDCC") is BNBV's designated Remuneration Committee under IFD Article 33 and supports BNBV's NEDs in meeting BNBV's compensation and remuneration-related obligations. An overview of BNBV's governance structure is provided in Figure 2.

⁵ As at 31st December 2025

Figure 2 BNBV Governance structure as at 31 December 2025



To facilitate its oversight of sustainability-related risks and opportunities, the BNBV Board has considered sustainability-related matters during the six months ending 31 December 2025. Topics considered by the Board included, illustratively, sustainability-related regulatory requirements, including in respect of the IFR and the SFDR. Functional and business reporting to the Board continues to evolve, to enable the Board to exercise risk-related oversight (including in relation to sustainability risk) that is informed, strategic and closely aligned with the company’s business model and operations.

Functional groups

In practice, sustainability is integrated into different business units across BlackRock. Several teams focus on sustainability, while others integrate sustainability into their broader functional responsibilities, as appropriate. Figure 3 contains further information on the sustainability-related responsibilities of the relevant business functions. The functions noted here work with the local BNBV teams to deliver on client requirements, as required.

Figure 3 Functional Groups Involved in Sustainability-Related Matters⁶

Team	Sustainability-related responsibilities	Management reporting line
Aladdin	<ul style="list-style-type: none"> Integrates third-party environmental, social and/or governance metrics on the Aladdin platform to support sustainability-related risk management, regulatory disclosures and reporting requirements. Develops proprietary climate analytics (Aladdin Climate) to support management of climate-related risks and portfolio decarbonisation analysis. Provides sustainability data for Private Markets. 	Global Head of Aladdin is a GEC member
BlackRock Investment Institute ('BII')	<ul style="list-style-type: none"> Produces macro and portfolio research, including BlackRock’s Capital Market Assumptions ('CMAs'). The Sustainable Investment Research and Analytics team produce sustainable investment insights, including thought leadership and research on investment implications of a low-carbon transition. 	Head of BII reports to the Deputy Head of BlackRock’s Portfolio Management Group (GEC member)

⁶ As at 31st December 2025

Team	Sustainability-related responsibilities	Management reporting line
Corporate Sustainability	<ul style="list-style-type: none"> Leads efforts to drive operational sustainability, establishes and implements sustainable business programs and policies, and engages key stakeholders on operational sustainability-related matters. 	Reporting line into Global Head of Corporate Affairs (GEC member)
Enterprise Services ('ES')	<ul style="list-style-type: none"> Manages BlackRock's owned and leased corporate real estate footprint, including the energy efficiency and emissions reduction initiatives where BlackRock has operational control. Works alongside key stakeholders to plan and implement sustainability efforts in offices. Manages disaster recovery planning, strategy and crisis activities. Monitors adherence to local environmental regulations and manages BlackRock's Environmental Management System. 	Global Head of ES reporting line to Global Head of Technology & Operations (GEC member)
Global Corporate Sustainability Controllers	<ul style="list-style-type: none"> Develops corporate climate- and sustainability-related disclosures globally, for both voluntary and regulatory reporting obligations. 	Global Controller reports into Chief Financial Officer (GEC member)
Government Affairs & Public Policy ('GAPP')	<ul style="list-style-type: none"> Engages in financial services public policy dialogue, including matters related to material sustainability-related risks or opportunities, through engagement with policymakers and standard setters globally, and whitepapers, comment letters and consultation responses regularly published on BlackRock's website. 	Heads of GAPP report to Global Head of Corporate Affairs (GEC member)
Global Product Solutions ('GPS') / Sustainability and Transition Solutions ('STS')	<ul style="list-style-type: none"> Drives commercial strategy, shapes BlackRock's sustainability and transition product range and partners across BlackRock to deliver investment insights on topics such as the energy transition, physical climate risks and resilience. 	Chief Product Officer is a GEC member
Investment Divisions	<ul style="list-style-type: none"> BlackRock investment divisions include BlackRock Global Markets and Index Investments, Portfolio Management Group, Private Financing Solutions ('PFS'), GIP and Real Estate. Active portfolio teams manage exposure to financially material environmental, social and/or governance risks, and consider environmental, social and/or governance information in their investment processes, as applicable and consistent with client goals. Investment teams often have sustainability-focused teams and offerings. 	Heads of major investment verticals are GEC members
Investment Stewardship	<ul style="list-style-type: none"> BlackRock Investment Stewardship ("BIS") is a dedicated function, which is responsible for stewardship activities, including engagement and voting, in relation to clients' assets invested in index equity strategies. BIS' Benchmark Policies take a financial materiality-based approach, focused on advancing clients' long-term financial interests. For clients that have sustainability objectives, BIS offers the Climate and Decarbonisation Stewardship program for in-scope funds with explicit climate and decarbonisation objectives. In addition, BlackRock Voting Choice provides eligible clients with opportunities to participate in the proxy voting process, where legally and operationally viable. 	Global Co-heads of BIS report to Co-Head of Global Partners Office (GEC member)

Team	Sustainability-related responsibilities	Management reporting line
	<ul style="list-style-type: none"> BlackRock Active Investment Stewardship ('BAIS') works in partnership with BlackRock's active investment teams to assess material sustainability related risks and opportunities within portfolio companies' business models, in line with investment objectives. BAIS engages with companies to evaluate how these factors are managed and their potential impact on financial performance. The team provides voting recommendations to investors, who vote to advance the investment objectives of clients invested in their funds. BAIS also offers the Climate and Decarbonisation Stewardship program for in-scope funds with explicit climate and decarbonisation objectives. 	Global Head of BAIS reports to the Deputy Head of BlackRock's Portfolio Management Group (GEC member)
Legal & Compliance	<ul style="list-style-type: none"> Assists in development of sustainability-related disclosures and compliance with applicable sustainability-related regulatory and reporting requirements across BlackRock. 	General Counsel/Chief Legal Officer is a GEC member
Risk & Quantitative Analysis Group	<ul style="list-style-type: none"> Responsible for BlackRock's Investment and Enterprise risk management framework, including oversight of sustainability-related investment risks. Evaluates investment risks, including financially material sustainability risks, as part of regular investment risk management processes and, where applicable, during regular reviews with portfolio managers. Maintains a dedicated Sustainability Risk group that partners with risk managers and businesses to oversee sustainability risk across the platform. 	Chief Risk Officer is a GEC member

Remuneration

BlackRock has a clear and well-defined pay-for-performance philosophy and compensation programmes which are designed to meet a number of objectives. These objectives include the promotion of sound and effective risk management across all risk categories, including sustainability risk, and discouraging excessive risk-taking (sustainability-related or otherwise).

BNBV is subject to BlackRock's governance processes with respect to remuneration. This helps ensure robust oversight of remuneration, effective management of any potential conflicts of interests and reflects the need to link remuneration decisions with risk appetite and profiles.

BlackRock's remuneration governance for EMEA operates as a tiered structure which includes: (i) the MDCC, which is the global, independent remuneration committee for BlackRock and is comprised entirely of NEDs of BlackRock, and also acts as Remuneration Committee of BNBV; and (ii) in respect of BNBV, the BNBV Board and the NEDs in particular. As the Remuneration Committee of BNBV, the MDCC is responsible for the preparation of decisions on remuneration of the Material Risk Takers ('MRTs') and putting those for approval to the BNBV NEDs. The BNBV NEDs have the task (acting on the recommendations of the MDCC) of approving the decisions prepared by the MDCC on the remuneration of MRTs, including BNBV's senior officers in the independent control functions.

BNBV's Human Resources, Legal & Compliance and Enterprise Risk functions are involved in setting, implementing, overseeing, and reviewing the BNBV Remuneration Policy.

3. Strategy

BlackRock was founded with a commitment to understanding and managing investment risk, anticipating client needs, and working collaboratively to help clients achieve their investment goals. This dedication to making investing easier and more affordable is core to BlackRock’s strategy. BlackRock recognises that different clients have different investment preferences and objectives, and offers a wide range of investment products to help clients meet their investment goals, delivering on the instructions and guidelines that clients ultimately select.

3.1 Sustainability-related risks and opportunities

BlackRock recognises the importance of effective identification, monitoring, and management of sustainability-related risks and opportunities across its global business and corporate operations. BNBV’s exposure to sustainability-related risk is primarily indirect, with such risks having the potential to affect future revenues and expenses, as opposed to assets and liabilities. The assets that BNBV manages belong to BNBV’s clients, not BNBV. BNBV typically earns investment management fees as a percentage of assets under management (‘AUM’). BNBV also earns performance fees on certain portfolios relative to an agreed-upon benchmark or return hurdle.

Sustainability-related opportunities

BlackRock offers one of the industry’s widest sustainable and transition investment platforms to deliver for a wide range of client preferences and objectives within this space. BlackRock believes the platform, which includes assets managed on behalf of BNBV clients, is well positioned to meet current and future demand for this theme, as evidenced by the platform’s growth to \$1.3 trillion across over 500 strategies⁷. Further information on BlackRock’s sustainable and transition investing platform is provided below.

Sustainability-related risks

Figure 4 contains a summary of the principal sustainability related risks that BlackRock has identified, and which have also been deemed relevant to BNBV’s business strategy, together with an indication of the primary anticipated financial impact arising from each of these risks on BNBV’s strategy.

Figure 4 Summary of sustainability-related risks⁸

Risk	Description	Primary anticipated financial impact ⁹
Market	Market-related risks are among the key risks to BlackRock’s business. Fluctuations in asset value due to sustainability-related risks could affect client investment strategies or allocations in a manner that could impact BlackRock’s business.	Reduced revenues
Product	Changes in client preferences and/or changes to regulation relating to sustainability considerations may impact product demand and in turn may impact BlackRock’s revenue and earnings.	Increased expenses and/or reduced revenues
Reputation	BlackRock is subject to preferences from different stakeholder groups with various views on sustainability related matters, which may present real or perceived reputational risks that could impact BlackRock’s business.	Reduced revenues

⁷ As at 31st December 2025

⁸ The inclusion of sustainability-related risks in Figure 4 should not be construed as a characterisation regarding materiality or financial impact of these risks.

⁹ There is no guarantee that the primary anticipated financial impact referenced above will be realised.

Risk	Description	Primary anticipated financial impact ⁹
Legal and Regulatory	New, extensive and/or divergent sustainability-related disclosure requirements, regulations, guidance or taxes that apply to BlackRock's products or other aspects of BlackRock's operations could increase compliance costs or require BlackRock to alter business or operating activities. New laws, regulations or guidance, as well as sustainability-related scrutiny, litigation or regulatory actions could affect BlackRock or its clients' investment strategies or allocations in a manner that could impact BlackRock's business.	Increased expenses and/or reduce revenues

3.2 Investment Approach

While BlackRock has identified the principal sustainability related risks outlined above, BlackRock's diversified platform and commitment to providing choice to its clients creates flexibility in its business model that is likely to support its resilience.

BlackRock's mission is to help more people invest better. The money BlackRock manages is not its own – it belongs to BlackRock's clients, many of whom make their own asset allocation and portfolio construction decisions.

As a fiduciary, BlackRock's investment approach is informed by three principles:

- Understanding the client's investment objectives and then offering choice based on how and where clients wish to invest their money;
- Helping clients seek the best risk-adjusted returns based on their choices; and
- Underpinning its work with research, data, and analytics.¹⁰

As an asset manager, it is BlackRock's fiduciary duty to consider material risks where they may impact the financial returns of investments BlackRock makes on behalf of clients.

In line with this philosophy, and where relevant and consistent with a fund or account's investment objectives, BlackRock incorporates financially material sustainability data or information, alongside other information into investment processes, with the objective of enhancing risk-adjusted returns of clients' portfolios. As with other investment risks and opportunities, the relevance of environmental, social and / or governance considerations may vary by issuer, sector, product, mandate, and time horizon. Depending on the investment approach, this financially material environmental, social and/or governance data or information may help inform due diligence, portfolio construction, and/or monitoring processes of the portfolios, as well as BlackRock's approach to risk management. Please refer to the BlackRock ESG Integration Statement for additional information.

Research is at the centre of BlackRock's investment approach and processes, informing BlackRock's investment decisions and product innovation. BlackRock focuses on major structural trends shaping the economy and markets, including the transition to a lower-carbon economy and its macroeconomic and portfolio implications.

Sustainable and transition investment solutions

Many clients are focused on sustainability-related considerations in their investment approach. To meet this demand and enable client choice, BlackRock offers a wide range of sustainable and transition investment strategies. As of 31 December 2025, BlackRock had over 500 sustainable funds globally covering a spectrum of sustainable and transition solutions, as well as customised solutions to meet clients' objectives, and managed over \$1.3 trillion of sustainable and transition investing AUM on behalf of clients.

¹⁰ Please see: [Our approach to sustainability](#).

BlackRock’s sustainable and transition investment solutions provide clients with choice to invest in line with their specific investment goals and objectives. Across the available strategies, products use environmental, social and/or governance data as a portfolio construction input. A subset of those products also seek to achieve long-term sustainability outcomes, in line with each product’s specific investment objective. These solutions include a variety of products and strategies that support a low-carbon transition.

An overview of BlackRock’s sustainable product framework is provided in Figure 5.

Figure 5 BlackRock sustainable and transition investing platform

	Screened	Uplift	Thematic	Impact
Investment Approach	Constrain investments by avoiding issuers or business activities with certain environmental, social and/or governance characteristics.	Investments that seek improved environmental, social and/or governance characteristics versus a stated universe or benchmark.	Targeted investments in issuers whose business models may not only benefit from but also may drive long-term sustainability outcomes.	Investments that seek to generate positive, measurable and additional sustainability outcomes.
Illustrative Portfolio Characteristics	<ul style="list-style-type: none"> • Business involvement screens 	<ul style="list-style-type: none"> • Better-than-benchmark • Portfolio decarbonisation 	<ul style="list-style-type: none"> • Sustainable energy • Critical minerals • Circular economy 	<ul style="list-style-type: none"> • Climate infrastructure • Green bonds

3.3 Investment Stewardship

Stewardship at BlackRock

As a link between BlackRock’s clients and the public companies they are invested in, BlackRock offers a range of investment stewardship options to reflect clients’ individual investment choices and goals through a selection of proxy voting policies.

BlackRock’s stewardship policies are developed and implemented separately by two independent, specialist teams, BIS and BAIS. While the two teams operate independently, their general approach is grounded in widely recognised norms of corporate governance and shareholder rights and responsibilities. BIS is a dedicated function within BlackRock, which is responsible for stewardship activities in relation to clients’ assets invested in index equity strategies. BAIS partners with BlackRock’s active investment teams in relation to their holdings. Index or active, BlackRock’s stewardship teams, and all stewardship efforts across BlackRock, are focused on making decisions consistent with clients’ stated objectives.

BlackRock’s stewardship program has four key pillars:

1. Engaging with the boards and management of companies in which clients are invested to deepen the teams’ understanding of a company’s business model, including how companies are overseeing material business risks and opportunities over time, and to help inform each team’s voting on behalf of clients.¹¹
2. Voting at shareholder meetings on management and shareholder proposals for clients who have authorised BlackRock to vote on their behalf.

¹¹ On February 11, 2025, the U.S. Securities and Exchange Commission (SEC) staff issued updated guidance for shareholders to maintain their eligibility to report their beneficial ownership under Schedule 13G of the Exchange Act. BlackRock complies fully with these requirements and does not engage with portfolio companies for the purpose, or with the effect, of changing or influencing control of any company.

3. Contributing to industry dialogue on stewardship to share BlackRock's perspectives on matters that may impact clients' investments.
4. Reporting on BlackRock's activities to inform clients about its stewardship efforts on their behalf through a range of publications on the BlackRock website and direct client communications.

Expanding Stewardship Choice

BlackRock offers two additional stewardship options to provide clients with more choice to meet their investment needs, with more than \$1 trillion in client index equity AUM exercising these options globally.

- **BlackRock Voting Choice**

Launched in January 2022, BlackRock Voting Choice – sometimes known as pass-through voting – provides eligible clients with opportunities to participate in the proxy voting process, where legally and operationally viable. More than \$3.7 trillion of BlackRock's \$7.7 trillion in total index equity AUM are eligible to participate in BlackRock Voting Choice, where legally and operationally viable, with clients representing approximately \$885 billion in index equity AUM exercising this option.¹²

- **Stewardship for funds with explicit climate and decarbonisation objectives**

The Climate and Decarbonisation Program applies only to funds that have climate and decarbonisation objectives and that have been explicitly approved for inclusion in the program by the respective governing body. Separately managed accounts clients may also instruct BlackRock to apply the program to their holdings. BIS and BAIS separately administer the program for their respective in-scope strategies. Total funds and separately managed accounts that have chosen to apply the Program represent \$194 billion of client AUM, or approximately 2% of clients' total public equity AUM¹³.

3.4 Industry Engagement & Public Policy

BlackRock advocates for public policies that it believes are in the long-term financial best interests of clients and shareholders. In doing so, BlackRock supports the creation of regulatory regimes that increase financial market transparency, protect investors, and facilitate the responsible growth of capital markets, while preserving consumer choice and properly balancing benefits with implementation costs. BlackRock's Government Affairs and Public Policy team contributes to financial services public policy discourse. The team comments on public policy topics through, among other things, its published ViewPoints series of whitepapers, which examine public policy issues and assess their implications for investors, and through comment letters and consultation responses that BlackRock submits to policy makers and publishes on its website.

As it relates to climate- and sustainability-related policy matters, BlackRock strives to engage constructively in the global dialogue through participation in industry trade associations as well as through engagement with policymakers and standard setters around the world. This includes contributing to policy discussions on sustainability-related financial disclosures, sustainable products labelling and transition planning. BlackRock also participates in public policy discussions on investments and industrial policies and the mobilisation of private capital.

In order to better serve clients, BlackRock participates in hundreds of organisations and trade groups relevant to clients across different issues, sectors, and regions, and participates in dialogue that may impact client portfolios. BlackRock's investment decisions and its stewardship engagements and voting are governed strictly by its fiduciary duty to clients. As such, BlackRock does not make any commitments or pledges that would interfere with its independent determination on how to engage with issuers and vote proxies on behalf of clients.

¹² BlackRock. Client funds participating in BlackRock Voting Choice are as of 31 December 2025. Assets include index equity assets held in multi-asset fund of funds strategies.

¹³ AUM includes in-scope funds and SMAs as at 31 December 2025.

3.5 Sustainability-related stress testing

BNBV performs an Internal Capital Adequacy and Risk Assessment Process ('ICARAP') to assess the level of capital and liquidity that is considered adequate to cover the nature and level of the risks which the firm is or might be exposed to. The potential financial impact of sustainability risk (among other risk types) is considered in the BNBV ICARAP using stress testing scenarios. The most recent ICARAP incorporates sustainability related stress testing, including the consideration of sustainability-related regulatory and reputational risks. The impact of this stress test scenario is assessed over a three-year time horizon. The stress test illustrates that, while a reduction in profitability is forecast, BNBV remains profitable and maintains sufficient capital and liquidity to satisfy its regulatory own funds threshold requirements.

4. Risk Management

An integral part of BlackRock's identity is the core belief that rigorous risk management is critical to the delivery of high-quality asset management services. BlackRock employs a three-lines of defence approach to managing investment risks in client portfolios. BlackRock's investment teams and business management are the primary risk owners, or first line of defence. Portfolio managers and research analysts are responsible for evaluating the financially material ESG risks and opportunities for an industry or company consistent with the portfolio's investment guidelines, just as they consider other potentially material economic issues related to their investments.

BlackRock's risk management function, RQA, serves as the second line of defence in BlackRock's risk management framework along with BlackRock L&C. RQA is responsible for BlackRock's Investment and Enterprise risk management frameworks, which includes oversight of sustainability-related investment risks. RQA evaluates investment risks, including financially material sustainability-related risks, as part of regular investment risk management processes and, where applicable, during regular reviews with portfolio managers. This helps to ensure that such risks are understood, deliberate, and consistent with client objectives. RQA also has a dedicated Sustainability Risk group that partners with risk managers and businesses to oversee sustainability risk across the platform.

The third line of defence, BlackRock's Internal Audit, operates as an assurance function. The mandate of Internal Audit is to independently assess the adequacy and effectiveness of BlackRock's internal control environment to improve risk management, control, and governance processes.

4.1 Sustainability risk identification

Sustainability risk is not a standalone risk; hence the risk identification, assessment and monitoring of sustainability risk cannot be performed on a standalone basis. Sustainability risks are identified through exposure to risk management Key Performance Indicators ('KPIs') linked to environmental, social and/or governance-related risk factors. Certain issuers may be particularly exposed to heightened sustainability risks through their sector or business practices. BlackRock has developed a Heightened Scrutiny Framework to identify and monitor issuers particularly exposed to heightened environmental, social and/or governance risks.

4.2 Description of sustainability risks

BlackRock defines Sustainability risk as an inclusive term to designate an investment risk (risk of financial loss or adverse outcome to clients' performance or risk expectations) that may result from environmental, social and / or governance related circumstances. As with other investment risks and opportunities, the financial materiality of sustainability risks may vary by issuer, sector, product, mandate, and time horizon.

Examples of sustainability-related risks may include but are not limited to:

- **Environmental Risk:** Risk associated with environmental issues which may include but are not limited to water use or land use (which may be impacted by regulations or climate change), waste management and climate risk. Climate risks include:
 - **Climate transition risk:** Risk related to the transition to a lower carbon economy. Whether policy, technology, market, or reputation risk arises from the adjustments to a low-carbon economy in order to mitigate climate change.
 - **Climate physical risk:** Risk associated with the physical impacts due to climate change. Physical risk arises from the physical effects of climate change which can be acute or chronic. For example, frequent and severe climate-related events can impact products and services, and supply chains.
- **Social risk:** A broad range of factors, that can impact an issuer's operational effectiveness and resilience as well as its public perception, and social license to operate. Examples of social issues include, but are not limited to, forced labour exposure or human capital management, impacts on the communities in which a company operates, customer loyalty, and relationships with regulators.
- **Governance risk:** Governance related risks may include board structure, tax compliance or anti-bribery and corruption practices (or lack thereof) and anything related to the core means by which boards can oversee the creation of durable, long-term financial value.

4.3 Sustainability risk assessment

Sustainability risk factors may have a material impact on an investment held in a product, may increase volatility, and may result in a loss to the value of units in a product.

Each sustainability risk assessment is specific to the asset class and to the product's objectives. Different asset classes may utilise different data and tools to assess materiality and make meaningful differentiations among issuers and assets. Risks are considered and actively risk managed concurrently, by prioritising based on materiality and on the product's / account's objective, as well as ensuring that the risk taking is deliberate, diversified and scaled.

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