

**BlackRock®**

**BlackRock France SAS**

**Article 29 Energy and  
Climate Law Disclosure**

**For the year ending 31 December 2024**

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# 1. Introduction and context

## 1.1 Purpose

BlackRock France SAS ('BFS', 'the Company') is an Alternative Investment Fund Management ('AIFM')<sup>1</sup> company, authorised and regulated by the Autorité des marchés financiers ('AMF').

This document (henceforth referred to as the 'Article 29 disclosure') fulfils the regulatory requirement for investment companies, including AIFMs, to publish a document that details their approach for taking account of environmental, social and governance (collectively, 'sustainability') considerations in their investment strategy. This document has been prepared in accordance with Article 29 of Law No. 2019-1147 of 8 November 2019 on energy and climate (the 'Energy and Climate Law'), and Decree No. 2021-663 of 27 May 2021.<sup>2</sup>

## 1.2 BlackRock structure and business activities

BFS's principal activity is to act as an AIFM for a number of Alternative Investment Funds ('AIF's'), predominately investing in private equity, infrastructure, real estate, credit, and multi-alternative strategies funds. As at 31 December 2024, BFS had €53.6 billion of assets under management ('AUM').<sup>3</sup>

BFS's parent undertaking is BlackRock Group Limited ('BGL'), a company domiciled and regulated in the United Kingdom on a consolidated basis by the Financial Conduct Authority by virtue of it being the holding company for BlackRock, Inc.'s regulated business in Europe, the Middle East and Africa ('EMEA') (referred to collectively as the 'BGL Group'). BGL Group's principal activity is the provision of investment management and advisory services through its regulated subsidiaries. BGL is owned by BlackRock, Inc. through multiple holding companies.

## 1.3 Basis of preparation

This document has been prepared for BFS on a solo basis and in accordance with the requirements contained in Article D.533-16-1 of the Monetary and Financial Code. In line with the requirements of Article D.533-16-1, the disclosures contained in this report relate exclusively to BFS's asset management activities and do not encompass BFS's business operations.

To the extent relevant to the asset classes managed by BFS, the Company aligns with BlackRock, Inc. Group ('BlackRock', 'the firm') policies, processes and methodologies, and draws upon the expertise of the wider BlackRock business, including business functions that are organised globally, where required and appropriate. As such, and unless otherwise stated, references throughout this disclosure to BlackRock's policies, processes and methodologies encompass BFS and its activities.

In line with Article D.533-16-1 of the Monetary and Financial Code, investment companies are required to prepare an Article 29 disclosure annually, and to publish the disclosure within six months of the financial year end. BFS adopts a financial year end date of 31 December; the Company's Article 29 disclosure will therefore be published by 30 June each year.

It is anticipated that BFS's approach to the Article 29 disclosure and other sustainability-related disclosures will continue to evolve, particularly as sustainability-related information, data and risk management methodologies develop further. Instances where BFS's Article 29 disclosure does not align with a specific Article 29 disclosure requirement will be subject to ongoing review, where appropriate, considering BFS's investment activities and function as a fiduciary to its clients.

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<sup>1</sup> BFS is an Alternative Investment Fund Management company as defined in the Alternative Investment Fund Management Directive ('AIFMD').

<sup>2</sup> Decree No. 2021-663 of 27 May 2021 implements Article L.533-22-1 of the Monetary and Financial Code and updates Article D.533-16-1 of the Monetary and Financial Code.

<sup>3</sup> This represents the value of assets (as at 31 December 2024) held in products for which BFS is the Manager.

The BFS Article 29 disclosure for the period ending 31 December 2024 has been approved by the BFS Board for publication on the BFS website at <https://www.blackrock.com/fr/intermediaries/a-propos-de-blackrock/about-blackrock>.

## 1.4 Other sustainability-related disclosures relevant to BFS

In 2025, BFS published a 'Statement on principal adverse impacts ('PAIs') of investment decisions on sustainability factors' ('the PAI statement') for the 12-month period ending 31 December 2024, prepared in accordance with the Sustainable Finance Disclosure Regulation ('SFDR').<sup>4</sup>

The BFS PAI statement includes quantitative disclosures associated with the assets held in products for which BFS is the Manager. The range of quantitative disclosures included in the PAI statement encompass 18 mandatory PAI indicators including, illustratively, the absolute GHG emissions associated with investments in investee companies, tonnes of emissions to water generated by investee companies, and Board gender diversity in investee companies. The BFS PAI statement also includes two voluntary PAI indicators; the share of investments in investee companies without carbon emission reduction initiatives aligned with the Paris Agreement, and the share of investments in entities without a human rights policy.

This Article 29 disclosure should be read and considered in conjunction with BFS's PAI statement, which is contained in Appendix 1 to this report.

Further information on BlackRock's approach to sustainability-related matters is also available in BlackRock's Climate Report and Sustainability Disclosure. Please refer to '[Sustainability at BlackRock](#)' for further information.

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<sup>4</sup> 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. General approach to sustainability

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 the firm'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.

As a fiduciary, BlackRock considers relevant and material risks and opportunities that could impact portfolios, when consistent with investment guidelines. For clients interested in sustainability, BlackRock offers a wide range of investment products, analytics and research to help them achieve their chosen investment objectives.

### 2.1 Investment approach

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.<sup>5</sup>

Where relevant and consistent with the fund's investment objectives, BlackRock incorporates financially material environmental, social and/or governance data or information alongside other information, into firmwide processes with the objective of enhancing the risk-adjusted returns of clients' portfolios. As with other investment risks and opportunities, the financial materiality 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 portfolio, as well as the firm's approach to risk management. Please refer to BlackRock's firm-level [ESG Integration Statement](#) for additional information.

Research is at the centre of BlackRock's investment approach and processes. It informs the firm's investment decisions and product innovation. BlackRock researches major structural trends shaping the economy, markets, and asset prices. BlackRock assesses how these trends could affect long-term value and how they could unfold over time. The transition to a low-carbon economy is one trend that the firm researches, because BlackRock sees it having implications on macroeconomic trends, company financial prospects and business models, and portfolios.

#### Sustainable investment solutions

To enable choice and meet client demand, BlackRock offers a wide range of sustainable and transition investment strategies to clients. As of 31 December 2024, 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 \$1 trillion of sustainable and transition investing AUM on behalf of its clients.

BlackRock's sustainable and transition 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 seeks 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 the transition to a low-carbon economy. BlackRock's sustainable and transition investing

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<sup>5</sup> Please see ['Our approach to sustainability'](#).

platform includes a number of BFS products. An overview of BlackRock's sustainable and transition investing platform is provided in Figure 2.1.

**Figure 2.1 BlackRock sustainable and transition investing platform**

	Screened	Uplift	Thematic	Impact
<b>Investment approach</b>	Constrain investments by <b>avoiding issuers or business activities</b> with certain environmental, social and/or governance characteristics.	Commitment to investments with <b>improved environmental, social and/or governance characteristics</b> versus a stated universe or benchmark.	Targeted investments in issuers <b>whose business models</b> may not only benefit from but also may <b>drive long-term sustainability outcomes</b> .	Commitment to <b>generate positive, measurable, and additional sustainability outcomes</b> .
<b>Additional details</b>	Includes use of screens and may be enhanced with active engagement with specific issuers.	Environmental, social and/or governance data drives portfolio construction and security selection with some strategies leveraging to target a specific objective.	Strategy construction determined by focused exposure to the specific environmental or social theme.	Investment process must showcase "intentionality" in line with Operating Principles for Impact Management.

Figure 2.1 reflects BlackRock's sustainable and transition investing platform as at 31 December 2024

## 2.2 Industry engagement and public policy

BlackRock advocates for public policies that it believes are in the long-term best interests of the firm's 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 versus implementation costs. BlackRock's Government Affairs and Public Policy ('GAPP') 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,<sup>6</sup> which examines 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 the firm's website.<sup>7</sup>

As it relates to climate and sustainability disclosure related policy matters, BlackRock strives to engage constructively in the global dialogue through participation in industry initiatives as well as through engagement with policymakers and standard setters around the world.

### Public Policy

In BlackRock's view, companies, investors, and others can benefit from greater transparency and consistency in publishing financially material sustainability-related data and information. Since sustainability-related material investment risk is a global issue and many investors allocate funds globally, BlackRock supports a coordinated approach by regulators and standard-setting bodies across jurisdictions, to facilitate high quality, comparable disclosures. BlackRock acknowledges the significant contributions already made in this area by initiatives, such as the Taskforce on Climate

<sup>6</sup> Please see additional information on BlackRock Public Policy ViewPoints, at: <https://www.blackrock.com/corporate/insights/public-policy/viewpoints-letters-consultations>.

<sup>7</sup> Please see additional information on BlackRock Public Policy letters and consultations, at: <https://www.blackrock.com/corporate/insights/public-policy/viewpoints-letters-consultations#letters-and-consultations>.

related Financial Disclosures, the Sustainability Accounting Standards Board (both of which have been merged into the International Sustainability Standards Board), the Science-Based Targets initiative, and the Global Reporting Initiative, amongst others which bring together public entities and private sector firms, and believes that coordinated regulatory action is required across markets to ensure a level playing field for companies and investors.

### **BlackRock participation in sustainability-related initiatives**

In order to better serve the firm's 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.

Participation in these groups helps the firm provide insights to clients interested in ways to mitigate risk and capture opportunities associated with, among other things, sustainability and the transition to a low-carbon economy.<sup>8</sup>

BlackRock's investment decisions and its stewardship engagement 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 its clients.

BlackRock serves on the Principals Group for the Glasgow Financial Alliance for Net Zero ("GFANZ") and is a member of the Sustainable Markets Initiative ("SMI"), as well as various other relevant global, regional or sectoral sustainability-related initiatives. BlackRock has been a member of the Taskforce on Nature-related financial disclosures since its launch in 2020.

In early 2024, BlackRock transferred its Climate Action 100+ membership to its international business, BlackRock International.<sup>9</sup> In early January 2025, BlackRock also announced it formally withdrew from the Net Zero Asset Managers ("NZAM") initiative.<sup>10</sup>

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<sup>8</sup> In joining various industry groups, BlackRock does not make any commitments or pledges that may interfere with the firm's fiduciary duty to clients. BlackRock's investment decisions are governed strictly by the firm's fiduciary duty to clients, and that duty requires BlackRock to prioritise their financial interests above any commitments or pledges not required by law.

<sup>9</sup> Please see BlackRock's 2024 letter to Climate Action 100+ regarding the transfer of membership to BlackRock International at: <https://www.blackrock.com/corporate/literature/publication/2024-our-participation-in-climate-action-100.pdf>.

<sup>10</sup> The firm's memberships in some climate finance organizations have caused confusion regarding BlackRock's practices and subjected the firm to legal inquiries from various public officials in the United States. Following a routine review of the firm's continued participation in these groups, BlackRock decided to withdrawal from the NZAM initiative in January 2025. This will not change products or solutions for clients or how their portfolios are managed. BlackRock's active portfolio managers continue to assess material climate-related risks, alongside other investment risks, in delivering for clients.

### 3. Internal resources

In practice, sustainability is integrated into different business functions across the firm. Several teams focus on sustainability, while others integrate sustainability into their broader functional responsibilities, as appropriate. Figure 3.1 contains further information on the sustainability-related responsibilities of the relevant teams. While many of these business functions are organised globally, including either a direct or indirect reporting line into the GEC, each function works with the local EMEA teams to deliver on client requirements, as required.

**Figure 3.1 Functional groups involved in sustainability-related matters<sup>11</sup>**

Team	Sustainability-Related Responsibilities	Management Reporting Line
<b>Aladdin</b>	<ul style="list-style-type: none"> <li>Integrates third-party environmental, social and/or governance metrics on the Aladdin platform to support sustainability-related risk management, regulatory disclosures and reporting requirements.</li> <li>Develops proprietary climate risk analytics (Aladdin Climate) to support climate risk management and portfolio decarbonisation analysis.</li> </ul>	Global Head of Aladdin is a member of GEC
<b>BlackRock Investment Institute ('BII')</b>	<ul style="list-style-type: none"> <li>Produces macro and portfolio research, including BlackRock's Capital Market Assumptions.</li> <li>The Sustainable Investment Research and Analytics team produces sustainable investment insights, including thought leadership and research on investment implications of the low-carbon transition.</li> </ul>	Head of BII reports to a Vice Chairman (GEC member)
<b>BlackRock Investment Stewardship ('BIS')</b>	<ul style="list-style-type: none"> <li>A dedicated function within BlackRock, which is responsible for stewardship activities on behalf of index equity strategies; engaging with companies, proxy voting on clients' behalf, contributing to industry dialogue on stewardship, and reporting on its activities.</li> </ul>	Global Head of BIS is a GEC member
<b>Corporate Sustainability</b>	<ul style="list-style-type: none"> <li>Leads efforts to drive operational sustainability, establish sustainable business programs and policies, and engage key stakeholders on BlackRock's operational sustainability initiatives.</li> </ul>	Reporting line into Global Head of Corporate Affairs (GEC member)
<b>Enterprise Services ('ES')</b>	<ul style="list-style-type: none"> <li>Manages BlackRock's owned and leased corporate footprint, including the energy efficiency and carbon reduction initiatives where BlackRock has operational control.</li> <li>Work alongside key stakeholders to plan and implement sustainability efforts in offices.</li> <li>Manages disaster recovery planning, strategy, and crisis activities.</li> <li>Monitors adherence to local environmental regulations and manages the firm's Environmental Management System.</li> </ul>	Global Head of ES reporting line to Global Head of Technology & Operations (GEC member)
<b>Global Corporate Sustainability Controllers</b>	<ul style="list-style-type: none"> <li>Develops corporate climate- and sustainability-related disclosures globally, for both voluntary and mandatory reporting obligations.</li> </ul>	Global Controller reports into Chief Financial Officer (GEC member)
<b>Government Affairs &amp; Public Policy</b>	<ul style="list-style-type: none"> <li>Engages in financial services public policy dialogue, including in relation to corporate disclosures, that includes matters related to material risk and corporate sustainability, through engagement with policymakers and standard setters around the world, and through whitepapers, comment letters and consultation responses regularly published on BlackRock's website.</li> </ul>	Heads of GAPP reports to Global Head of Corporate Affairs (GEC member)
<b>Global Product Solutions ('GPS') / Sustainable and Transition Solutions ('STS')</b>	<ul style="list-style-type: none"> <li>Drives commercial strategy, shapes the firm's sustainability and transition product range and partners across the firm to deliver investment insights on topics such as the energy transition, physical climate risks and resilience.</li> </ul>	Chief Product Officer is a GEC member
<b>Investment Divisions</b>	<ul style="list-style-type: none"> <li>BlackRock investment divisions include BlackRock Global Markets and Index Investments, Portfolio Management Group, Global Trading &amp; Transition Management, Infrastructure and Equity Private Markets.</li> <li>Active portfolio teams manage exposure to financially material</li> </ul>	Heads of major investment verticals are members of GEC and GEC Investment Sub-Committee

<sup>11</sup> As of 31 December 2024.



	<p>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.</p> <ul style="list-style-type: none"> <li>Investment teams often have sustainability-focused units.</li> </ul>	
<b>Legal &amp; Compliance ('L&amp;C')</b>	<ul style="list-style-type: none"> <li>Assists in development of sustainability-related disclosures and compliance with applicable sustainability-related regulatory and reporting requirements across the firm.</li> </ul>	General Counsel/Chief Legal Officer is a member of the GEC
<b>Risk &amp; Quantitative Analysis Group ('RQA')</b>	<ul style="list-style-type: none"> <li>Responsible for BlackRock's Investment and Enterprise risk management framework which includes oversight of sustainability-related investment risks.</li> <li>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. This helps to ensure that such risks are understood, deliberate, and consistent with client objectives.</li> <li>Maintains a dedicated Sustainability Risk group that partners with risk managers and businesses to oversee sustainability risk across the platform.</li> <li>Consults with investors and sustainability experts across the firm to evaluate environmental, social and/or governance related data, models, methodologies and/or analytics.</li> </ul>	Chief Risk Officer is a member of GEC and GEC Investment Sub-Committee

As outlined in section 1.3, BFS draws upon the expertise of the wider BlackRock business, including the subject matter expertise of employees of other BlackRock entities, where required and appropriate. As such, no disclosure has been made in this report in respect of the number of BFS employees engaged in sustainability-related matters as to do so would misrepresent the sustainability-related skills and expertise from which BFS benefits.

## Employee training

BlackRock offers training to employees to help them achieve a baseline understanding of the concepts of sustainability and the low-carbon transition, as well as training in relation to BlackRock's approach, offerings, and analytical capabilities in relation to sustainable investing. Some of these training resources offer deep technical training for BlackRock's investment, client facing and sustainability teams on topics such as sustainability related-regulations (e.g., SFDR), policy discussions on climate and biodiversity (COPs), and evolving analytical capabilities in Aladdin®. Such training is ongoing throughout the year and includes resources developed by the BlackRock Investment Academy, the BlackRock Client Relationship Academy, and the BlackRock Educational Academy.

## 3.1 Sustainable investing research

Research is at the centre of BlackRock's investment approach and processes. It informs BlackRock's investment decisions and product innovation. BlackRock researches major structural trends shaping the economy, markets and asset prices. BlackRock assess how these trends could affect long-term value and how they could unfold over time. The transition to a low-carbon economy is one trend that BlackRock researches, because BlackRock sees it having implications on macroeconomic trends, company financial prospects and business models, and portfolios.

## 3.2 Sustainable investing - data and technology

BlackRock's internal processes are focused on delivering high-quality, standardised and consistent data to be used by investment professionals and for transparency and reporting purposes. Environmental, social and/or governance-related data is received through BlackRock's existing interfaces, and then processed through a series of data quality, completeness and methodology checks.

BlackRock's integrated technology enables it to compile data about issuers and investments. This data spans a variety of environmental, social and/or governance metrics and a variety of data providers. BlackRock makes this data available to investment teams, as well as other support and control functions, including BlackRock's RQA function.

BlackRock Portfolio Managers have access to research, data, tools, and analytics to integrate environmental, social and/or governance insights into their investment process. BlackRock Aladdin is BlackRock's operating system that connects the data, people, and technology necessary to manage portfolios in real time, as well as the engine behind BlackRock's environmental, social and governance analytics and reporting capabilities. BlackRock's Portfolio Managers use Aladdin to make investment decisions, monitor portfolios and to access material environmental, social and/or governance-related data and information that can inform the investment process.

### **Sustainability-related data sources**

Of particular relevance to BFS, when investing in private markets, including BlackRock's infrastructure, real estate, private equity and private credit strategies, the availability of reliable, accurate and complete environmental, social and/or governance-related data can remain challenging. BlackRock has developed proprietary approaches for collating a wide range of material environmental, social and/or governance-related datapoints across its portfolios, which in turn are helping inform the availability of relevant data. For example, across many of BlackRock's infrastructure and real estate strategies, BlackRock is partnering with third-party sustainability data management system providers to collate material environmental, social and/or governance-related datapoints at the individual investment-level. Where possible, BlackRock may also partner with third-party specialist consultants and other service providers to drive engagement programmes across private markets portfolios. In doing so, BlackRock's objective is to encourage the sharing of such information, and to advance the development of more consistent methodologies to collate this information going forward.

In addition, where possible and appropriate, BlackRock undertakes direct engagement across BlackRock's private markets portfolios, helping to better understand environmental, social and/or governance related performance across its portfolio companies, and to source PAI and other related information.

### **Data quality**

BlackRock applies a comprehensive due diligence process to evaluate data providers and the underlying data they provide, with targeted methodology reviews and coverage assessments. Illustratively, this has included an assessment of environmental, social and/or governance-related data and data providers across several dimensions, including in relation to:

1. **Data collection processes** – evaluating data providers' underlying data sources, and data collection protocols, including consideration of machine learning and manual data gathering processes.
2. **Data Coverage** – assessing data coverage across the universe of assets managed by BlackRock on behalf of clients, including consideration of the proportion of reported versus estimated data.
3. **Methodology** – evaluating data providers' data collection and calculation methodologies and alignment to regulatory requirements / frameworks.
4. **Data Verification** – evaluating data providers' approach to data verification and quality assurance.
5. **Operational capabilities** – assessing the size and experience of the research teams, training programmes, and use of third-party providers.

Further information in respect of BlackRock's use of environmental, social and/or governance-related data, including associated limitations, is detailed in the BFS PAI statement.

## 4. Governance

Effective corporate governance is critical to executing on BlackRock's strategy, fulfilling its responsibilities to clients and creating long-term financial value for stakeholders.

BlackRock's governance with respect to sustainability-related matters reflects the firm's commitment to strong leadership and oversight of such matters at the senior management and Board levels. Sustainability issues are regularly part of BlackRock's Board-level discussions of firm and business line strategy, and responsibility for sustainability oversight is shared across the full Board and its committees. Further information on BlackRock's governance as it relates to sustainability-related matters is available in the Governance section of the [BlackRock 2024 Climate Report](#).

### 4.1 BFS oversight

The oversight and day to day management of BFS rests with the Company President and the dirigeants effectifs (collectively, 'the BFS Board' or 'the dirigeants'), supported by the Company's employees and the wider BlackRock business. As at 31 December 2024, BFS had six dirigeants, all of whom were senior BlackRock employees, providing representation from a range of BlackRock's business functions. This includes representation from the RQA, Investment Management, and Client Experience Management teams. Collectively, the dirigeants have a mix of skills and experience, including extensive experience in alternative investments and the risks associated with such investments.

The dirigeants, on a collective basis, are responsible for the management of the Company, including in respect of functions that the Board delegates to other BlackRock entities. The responsibilities of the dirigeants include, but are not limited to, the following matters:

- Day-to-day management of the Company and the AIFs for which the Company acts as an AIFM.
- Responsibility for the decision-making process in relation to additional funds, sub-funds and share classes, where relevant to the Company in its capacity as an AIFM.
- Responsibility, in relation to the AIFs, for oversight and monitoring of portfolio management functions that have been delegated by the Company to other BlackRock entities.
- Ensuring the maintenance of a sound system of internal controls and risk management. This includes responsibility for the integration of sustainability risk within the Company's oversight framework.
- Initial approval of, and approval of material changes to, significant policies relevant to BFS.

#### Sustainability-related oversight

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 BFS Board implements BlackRock's sustainability strategy via its oversight and scrutiny of the BFS fund range, including in respect of new and/or amended investments strategies, and ensures that its funds meet local regulatory requirements.

Throughout 2024, the BFS Board reviewed and discussed sustainability-related matters relevant to BFS. Illustratively, the topics discussed included sustainability-related regulatory developments and the review and approval of BFS's sustainability-related public disclosures. The dirigeants also reviewed sustainability-related policies applicable to BFS, including in relation to sustainability investment risk management.

### 4.1.1 BFS Board composition

In line with Article L.533-22-2-4 of the Monetary and Financial Code (“the Rixain Law”), BFS is required to disclose the composition of its management body. The composition of the BFS Board as at 31 December 2024 was 33% women and 67% men.<sup>12</sup>

## 4.2 Remuneration

In line with the AIFMD Article 13, BFS maintains a remuneration policy, the responsibility for which rests with the BFS Board. In accordance with SFDR Article 5, the BFS remuneration policy has been updated to incorporate consideration of sustainability risk.

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).

The BFS remuneration policy is subject to review and approval by the BFS Board at least annually. In addition, the Management Development and Compensation Committee, which is the global, independent remuneration committee for BlackRock and comprises the Non-Executive Directors of BlackRock, also acts as the independent remuneration committee for the BGL Group, including BFS. It therefore supports the BFS Board in meeting its remuneration related obligations by overseeing the design and implementation of the remuneration policy in accordance with applicable regulations.

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<sup>12</sup> Following changes in the period to 30 June 2025, the composition of the BFS Board is now 60% women and 40% men.

## 5. Engagement strategy

Investment stewardship is one of the ways in which BlackRock fulfills its fiduciary responsibilities as an asset manager to its clients. BIS serves as a link between BlackRock's clients and the companies the firm invests in on their behalf. The team aims to build constructive relationships with companies and encourage corporate governance practices that can contribute to long-term financial value creation. BIS does this by engaging with investee companies and proxy voting on behalf of BlackRock's clients who have given the firm such authority. BIS' approach to stewardship is outlined in its [Global Principles](#), regional [voting guidelines](#) and [engagement priorities](#). As the funds managed by BFS are invested in private assets, these funds are not affected by BlackRock's voting policy, which applies only to publicly listed investments.

BlackRock active investment teams may also engage with the companies they invest in across public and private markets on governance and sustainability-related matters. Investment team engagement is undertaken as part of the investment decision making process. Where engagement is identified by a portfolio management team as a means by which to assess an investee company's commitment to high standards of corporate governance and business practices on material sustainability-related risks and opportunities, the engagement approach will be described in the prospectus and website disclosures of the relevant product.

Where active portfolio management teams choose to leverage engagement, this can take a variety of forms but, illustratively, the team would seek to have regular and continuing dialogue with executives or board directors of relevant investee companies. Teams may engage on how investee companies manage material sustainability-related risks and opportunities in their business models. In their engagement, a portfolio management team may discuss concerns, build their understanding of opportunities, and share constructive feedback, based on the view that material sustainability-related risks and opportunities may impact a business's long-term strategy and fundamental value, across all asset classes.

## 6. European taxonomy and fossil fuels

As outlined in section 2.1, BlackRock's sustainable and transition investing platform includes a number of BFS products. This includes a number of SFDR Article 8 and Article 9 products.

### **Investments aligned with the European taxonomy<sup>13</sup>**

The BFS Global Renewable Power Infrastructure Fund III includes investments that align with the European taxonomy and, specifically, Article 10 of the European taxonomy in relation to climate change mitigation. As at 31 December 2024, the value of all assets held in the Global Renewable Power Infrastructure Fund III was €2.3 billion, of which 27.22% was aligned with Article 10 of the European Taxonomy. While other BFS products may include investments that are aligned with the European taxonomy, BFS does not currently have the requisite data to report the percentage alignment; this reflects the challenge associated with obtaining such data in respect of private market investments.

### **Investments in companies operating in the fossil fuel sector**

The BFS PAI statement published in June 2025 (for the 12-month period ending 31 December 2024) includes consideration of BFS fund holdings in companies operating in the fossil fuel sector. The PAI statement, and specifically PAI indicator 4, illustrates that BFS's exposure to companies active in the fossil fuel sector represents 0.5% of the assets managed by BFS,<sup>14</sup> based on issuer coverage of 75%.<sup>15</sup> In addition, PAI indicator 17 illustrates that BFS's exposure to real estate assets involved in the extraction, storage, transport, or manufacture of fossil fuels is 0%, based on issuer coverage of 100%.

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<sup>13</sup> The 'European Taxonomy' is a reference to *Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment*.

<sup>14</sup> This includes assets held in products for which BFS is the manager. Please refer to the BFS SFDR PAI statement for further information.

<sup>15</sup> The issuer coverage percentage denotes, for each PAI, the proportion of assets managed by BFS for which BFS has been able to collect the data required to calculate the corresponding PAI indicator. The coverage percentage is calculated relative to the value of assets managed by BFS that are invested in the issuer type/investment type to which the PAI indicator relates.

## 7. Alignment with the Paris Agreement

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 invests on clients' behalf to help them meet their investment objectives. The firm does this by understanding clients' long-term investment objectives and offering choice on how and where they wish to invest their money. BlackRock then helps clients seek the best risk-adjusted returns based on those choices, underpinning this work with research, data and analytics.

For clients interested in sustainability and the transition to a low-carbon economy, BlackRock offers a wide range of investment products, analytics and research to help them achieve their chosen investment objectives. BlackRock's sustainable and transition investing platform is driven by clients' needs, along with BlackRock's continued investment conviction that the energy transition is a mega force shaping economies and markets. Further information on BlackRock's sustainable and transition investing platform is available in section 2.1, above.

At an entity level, BFS does not set climate-related targets for the AUM it manages on behalf of clients due to BlackRock's role as a fiduciary, delivering on the instructions and guidelines that clients ultimately select. For additional detail relating to product specific sustainability objectives, please refer to the relevant fund prospectuses, product briefs and fact sheets available on public fund websites.

## 8. Biodiversity and natural capital

BlackRock's investment teams consider natural capital-related risks where financially material, where data is available, and where relevant to the given strategy and investment style. For example, BlackRock's Infrastructure and Real Estate teams take a proactive approach to identifying, analysing, and documenting applicable and material environmental, social and/or governance factors – from initial deal sourcing and screening, through detailed due diligence and investment committee review and final investment approval.

At an entity level, BFS does not set biodiversity-related targets for the AUM it manages on behalf of clients due to BlackRock's role as a fiduciary. Instead, investments are made in line with the instructions and guidelines that clients ultimately select. For additional detail relating to product specific sustainability objectives, please refer to the relevant fund prospectuses, product briefs and fact sheets available on public fund websites.

BFS does not currently assess compliance with the goals listed in the Convention on Biological Diversity or the contribution to reducing the primary pressures and impacts on biodiversity as defined by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. Furthermore, BFS has not adopted a biodiversity footprint indicator. BFS continues to monitor progress in data availability and quality, as well as methodologies for estimating portfolios' biodiversity footprints.



## 9. 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. This section discusses BlackRock's approach to risk management, including the risk identification, assessment and monitoring processes adopted by BlackRock.

BGL is the holding company for BlackRock's regulated business in EMEA, including BFS. As referred to in section 4.1, risk management in BFS is governed by the BFS Board. BFS follows the BGL Group's policy and control frameworks. The elements of the Risk Management Framework ('RMF') described in this section are applied at the BGL Group level.

### 9.1 Risk management approach

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 environmental, social and governance 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 framework, which includes oversight of sustainability-related investment risks. RQA evaluates investment risks, including financially material sustainability-related risks, as part of regular 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 function, 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.

#### Description of Sustainability Risks

BlackRock defines sustainability risk as an inclusive term to designate an investment risk (probability or uncertainty of occurrence of material losses relative to the expected return of an investment) that relates to environmental, social and/or governance issues. 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:

1. **Environmental Risk:** Risk associated with environmental issues which may include but are not limited to climate change, water use, land use, waste management, environmental degradation, or loss of ecosystem services. Environmental degradation includes water or air pollution, desertification, and loss of biodiversity. Climate-related risk includes:
  - **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.
2. **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, human capital management, impacts on the communities in which a company operates and customer loyalty.

3. **Governance risk:** Governance related risks can include risks around board independence, ownership & control, or audit and tax management.

## **9.2 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 key performance indicators linked directly to environmental, social and/or governance-related activities, or identified indirectly through their effect on different existing risk types (including, but not limited to, market, liquidity, concentration, credit, asset-liability mismatches, etc.). 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.

Certain companies may be particularly exposed to heightened sustainability risks through their sector or business practices. BlackRock has developed a framework to identify and monitor companies particularly exposed to heightened environmental, social and/or governance-risks.

## **9.3 Sustainability risk – Assessment**

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 / accounts objective, as well as ensuring that the risk taking is deliberate, diversified and scaled.

## **9.4 Sustainability risk – monitoring and response**

As set out in section 9.1, BlackRock's investment teams and business management are the primary risk owners, or the first line of defence. RQA also evaluates investment risks, including financially material sustainability-related risks, on an ongoing basis as part of regular 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, complementing the first-line monitoring.

## **9.5 Scenario analysis**

Climate scenario analysis allows an organisation to develop insight into how the physical and transition risks and opportunities arising from climate change might impact its business and corporate operations overtime. While climate scenario analysis is not meant to predict the future, it allows organisations to explore possible outcomes, the assumptions they depend upon, and the courses of action and/or events that could bring them about.

BlackRock has conducted a firmwide climate scenario analysis exercise to understand the potential implications of climate-related transition and physical risk under a variety of emission scenarios to BlackRock's business strategy over the short-, medium-, and long-term. BlackRock's firmwide climate scenario analysis included consideration of the impact of climate-related transition and physical risks on BlackRock's AUM, including assets managed by BFS. BlackRock has leveraged scenarios from the Network for Greening the Financial System ('NGFS') and from the Intergovernmental Panel on Climate Change ('IPCC'). NGFS scenarios readily provide analytics to assess both physical and transition risks, while the IPCC scenarios are largely focused on assessing physical risks.

The results of the climate scenario analysis indicate that BlackRock's diversified platform and commitment to providing choice to its clients creates flexibility in its business model that is likely to support BlackRock's resilience as it adapts to the impacts of both transition and physical climate risks. While BlackRock's AUM and associated revenues and profit margin may be impacted by climate change, each scenario reviewed presented different plausible challenges, risks and opportunities that may occur through 2050.

Further information on BlackRock's approach to scenario selection, impact assessment and scenario conclusions, together with the limitations inherent in the scenario analysis exercise, is

available in [BlackRock's 2024 Climate Report](#). While scenario analysis is not currently prepared at the subsidiary entity-level, it is anticipated that BlackRock's approach to climate scenario analysis may continue to evolve.

## 10. BFS SFDR Article 8 and 9 products

In line with the definitions contained in the SFDR, ‘Article 8’ products are those that promote environmental and/or social characteristics and which invest in companies that follow good governance practices. ‘Article 9’ products are those that have sustainable investing as an objective.

BlackRock’s sustainable investing platform includes products that are categorised as SFDR Article 8 or Article 9 products, including a number of BFS products. Figure 10.1 contains a list of BFS SFDR Article 8 and Article 9 products as at 31 December 2024.

**Figure 10.1 BFS products categorized as SFDR Article 8 and Article 9 products**

Fund Name	SFDR Categorisation
BlackRock Evergreen Infrastructure Partners	Article 8
BlackRock Global Infrastructure Fund IV - Platform	Article 8
BlackRock Eurozone Core Property Fund	Article 8
BlackRock Europe Property Fund VI SCSp SIF	Article 8
Decarbonisation Partners I	Article 8
BlackRock Direct Lending Fund X-L (Luxembourg)	Article 8
BlackRock Direct Lending Fund X-U (Luxembourg)	Article 8
BlackRock European Middle Market Fund III	Article 8
BlackRock European Senior Loans Fund I SCSp	Article 8
BlackRock Private Equity Impact Opportunities ELTIF	Article 8
Global Infrastructure Debt Fund II Feeder SCSp	Article 8
Global Infrastructure Solutions 5 Balanced Fund	Article 8
Global Infrastructure Solutions 5 Co-Invest Fund	Article 8
Global Infrastructure Solutions 5 Secondaries	Article 8
BlackRock Private Equity Impact Capital Fund	Article 8
BlackRock Thematic Markets	Article 8
Climate Finance Partnership Fund	Article 9
Global Renewable Power Fund III	Article 9
Global Renewable Power Fund IV	Article 9

Figure 10.1 reflects BFS SFDR Article 8 and 9 products as at 31 December 2024. Please note, this list does not include BFS SFDR Article 8 and 9 products that are reserved to a single investor i.e., a ‘fund of one’.

As at 31 December 2024, the value of assets held in the BFS Article 8 and Article 9 products referenced in Figure 10.1 represented 22% of the total value of assets managed by BFS.

## **Appendix 1 – BFS Statement on principal adverse impacts of investment decisions on sustainability factors for the year ending 31 December 2024**



**BlackRock France S.A.S**

**Statement on Principal Adverse Impacts of  
Investment Decisions on Sustainability  
Factors**

**For the year ending 31 December 2024**

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# 1. Summary

## 1.1. Financial market participant

This statement on principal adverse impacts of investment decisions on sustainability factors ('this statement', 'PAI statement') applies to BlackRock France S.A.S ('BFS'), Legal Entity Identifier ('LEI') 549300J8EENG40ZIIN89.

## 1.2. Summary

BFS considers principal adverse impacts ('PAIs') of its investment decisions on sustainability factors. This statement is the consolidated statement on PAIs of investment decisions on sustainability factors for BFS. This statement covers the reference period from 1 January 2024 to 31 December 2024 ('the current year'). For quantitative disclosures contained in this statement, disclosure is also made in respect of the reference periods 1 January 2022 to 31 December 2022 and 1 January 2023 to 31 December 2023 ('the prior years').

The BFS Dirigeants Committee ('the Committee') is responsible for producing this statement and for considering the PAIs of investment decisions on sustainability factors, leveraging the methodologies and expertise of the wider BlackRock business, where required and appropriate. The PAI indicators disclosed in this statement relate to assets held in Products for which BFS is the manager. This applies irrespective of whether BFS has delegated investment management of any of those Products to other BlackRock entities. References throughout this document to assets managed by BFS should be read accordingly.

### Basis of preparation

This statement has been prepared by BFS in its capacity as a financial market participant. BFS is a subsidiary of BlackRock Group Limited ('BGL'), a company domiciled in the UK and the holding company for BlackRock's regulated business in Europe, the Middle East and Africa ('EMEA') (collectively, 'the BGL Group'). BGL is owned by BlackRock, Inc. ('BlackRock') through multiple holding companies.

This statement has been prepared in accordance with the requirements of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ('the Sustainable Finance Disclosure Regulation', 'SFDR') and Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR (the 'SFDR RTS').

In line with the requirements of the SFDR and the SFDR RTS, this statement includes quantitative disclosure of the impacts associated with assets managed by BFS on behalf of clients; these impacts are measured by reference to the 18 mandatory PAI indicators detailed in the SFDR RTS, which are disclosed in tables 1 to 3 below.

The SFDR RTS also requires disclosure of two additional PAI indicators, which must be selected from a list detailed in the SFDR RTS. The additional PAI indicators associated with assets managed by BFS on behalf of clients are disclosed in table 4 below. The process by which BFS has selected the additional PAI indicators is detailed in section 3.3 below.

In addition to the quantitative disclosures referenced above, this statement also includes qualitative disclosures that outline, for example, a description of the policies to identify and prioritise PAIs of investment decisions on sustainability factors, the data processes and limitations associated with the calculation and disclosure of PAI indicators, and BlackRock's engagement policies.

As referenced above, BFS aligns with relevant BlackRock policies, processes and methodologies, and draws upon the expertise of the wider BlackRock business, where required and appropriate. As such, and unless otherwise stated, references throughout this statement to BlackRock's policies, processes or methodologies encompass BFS and its activities.



## Summary of Principal Adverse Impacts

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.

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. As a fiduciary, BlackRock considers relevant and material risks and opportunities that could impact portfolios, when consistent with investment guidelines. For clients interested in sustainability, BlackRock offers a wide range of investment products, analytics and research to help them achieve their chosen investment objectives.

Where relevant and consistent with the fund or account's investment objectives, BlackRock incorporates financially material environmental, social and / or governance data or information, alongside other information, into firmwide processes, with the objective of enhancing the risk-adjusted returns of clients' portfolios. As with other investment risks and opportunities, the financial materiality 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 the firm's approach to risk management.

The PAI indicators disclosed by BFS relate to the assets managed by BFS on behalf of clients. The PAI indicators disclosed by BFS are therefore predominantly influenced by two factors: (i) client preferences, on account of clients choosing which Products to invest in and the extent of investments made in those Products, and (ii) market conditions, which affect the assets and the weighting of assets held in the Products that clients are invested in.

The avoidance or reduction of PAIs may depend on the investment strategy of the relevant Product, as disclosed to clients in pre-contractual disclosures and periodic reporting. This may include, for example, the application of specific screens that constrain investments by avoiding issuers or business activities with certain characteristics, or the inclusion of specific objectives or commitments in the Product.

## 2. Description of the principal adverse impacts on sustainability factors

Tables 1 to 3 below contain the 18 mandatory PAI indicators, as required by the SFDR RTS, for assets managed by BFS on behalf of clients, presented for both the current year and the prior years. Each of the 18 mandatory PAI indicators is applicable to a particular issuer type / investment type and, in some instances, a subset of the issuer sector. The 18 mandatory PAI indicators are presented as follows:

- Table 1 contains PAI indicators associated with investments in investee companies. PAI indicators 1 to 9 are climate and other environmental-related indicators, and PAI indicators 10 to 14 refer to social and employee, respect for human rights, anti-corruption, and anti-bribery matters.
- Table 2 contains PAI indicators applicable to investments in sovereigns and supranationals.
- Table 3 contains PAI indicators applicable to investments in real estate assets.

The SFDR RTS requires BFS to disclose one additional climate and other environmental-related indicator, and one additional indicator for social and employee, respect for human rights, anti-corruption and anti-bribery matters. These indicators are selected from the list of additional indicators in SFDR RTS Annex 1 tables 2 and 3, respectively. BFS has selected to disclose:

- ‘The share of investments made on behalf of clients in companies without carbon emission reduction initiatives’ (‘additional PAI indicator 4’); and
- ‘The share of investments made on behalf of clients in entities without a human rights policy’ (‘additional PAI indicator 9’).

These additional PAI indicators are disclosed in table 4 below.

The specific metric used to assess each PAI indicator is disclosed in the “metric” column of each table, and the measurement outcome is disclosed in the “impact” column. Some PAI indicators are calculated as absolute metrics and may therefore fluctuate over time in line with changes to the value of assets managed by BFS. Other PAI indicators are disclosed as relative metrics and will therefore take account of changes to the relevant calculation base over time. For PAI indicators presented as a relative metric, the “metric” column clarifies the basis of the calculation.

Consideration of the changes in the PAI indicators between the current year and the prior years are discussed in section 6 ‘*Historical comparison*’, below.

### Scope of assets reflected in the PAI indicators

The scope of this statement, including the PAI indicators disclosed in tables 1 to 4, encompass (where relevant to the PAI indicator issuer type / investment type) assets that BFS manages on behalf of its clients.<sup>1</sup> These assets may include investments in Products managed by other BlackRock financial market participants, including other entities that are in scope of the SFDR requirement to publish an entity statement. As a result, there may be instances where the impact associated with a single asset, as measured by reference to the PAI indicators, is disclosed in more than one PAI statement. It is therefore not appropriate to aggregate the PAI indicators disclosed across different BlackRock financial market participants.

### Investment coverage

Tables 1 to 4 disclose a coverage percentage for each PAI indicator. This is presented in the “explanation” column of each table. The coverage percentage reflects the proportion of assets managed by BFS for which BFS has been able to collect the data (whether reported or estimated) required to calculate the corresponding PAI indicator. The coverage percentage is calculated relative to the value of assets managed by BFS that are invested in the issuer type / investment type to which the PAI indicator relates. Further information relating to data sources and data availability is provided in section 3 below.

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<sup>1</sup> This applies irrespective of whether BFS has delegated investment management of its Products to another BlackRock entity.

### **Methodological updates**

BlackRock continues to monitor the evolution of regulatory guidance and market practice relating to the calculation of the PAI indicators disclosed in this statement. During 2024, an updated calculation methodology has been adopted for those PAI indicators that are calculated as a percentage share of the assets managed by BFS. This update is relevant to PAI indicators 4, 7, 10, 11 and 14 presented in table 1, and additional PAI indicators 4 and 9 presented in table 4.

Previously, these PAI indicators were calculated as the percentage share of assets that are invested in the issuer type / investment type to which the PAI indicator relates and for which the relevant underlying PAI data was available. This methodology has been updated and is now calculated as the percentage share of total assets managed by BFS, irrespective of PAI data availability or the underlying issuer type / investment type to which those assets relate.

For those PAI indicators impacted by the methodological update, disclosure has been made for the current year using the updated calculation methodology, while disclosure is provided for the prior year's using both the previous and updated methodology. The 'prior year methodology' column in tables 1 and 4 is populated only for the PAI indicators that are impacted by the methodological update.

**Table 1: Indicators applicable to investments in investee companies**

Indicators applicable to investments in investee companies*									
Adverse sustainability indicator		Metric	Current year methodology			Prior year methodology		Explanation	Actions taken, and actions planned and targets set for the next reference period.
			Impact (2024)	Impact (2023)	Impact (2022)	Impact (2023)	Impact (2022)		
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS									
Greenhouse gas ('GHG') emissions	1. GHG emissions	Scope 1 GHG emissions (tCO2e)	138,360	33,364	15,844			Coverage: 78% (2023: 33%, 2022: 14%) Scope 1 GHG emissions are direct emissions from sources that the investee company owns or controls.	The values represented for different PAI indicators at an entity level are derived from data relating to BFS's assets under management. The aggregation of PAI data for BFS is a function of the particular product suite managed by BFS. As a result, these figures may vary from period to period as a result of both client inflows and outflows, and market conditions. Specific actions taken, and actions planned and targets set are, where applicable, identifiable and implemented at a respective sustainable product level as described in, for example, pre-contractual disclosure documentation and periodic reporting, rather than at an entity level.  BlackRock's clients' choices and preferences always take precedence. BFS ensures that the products it manages that include a sustainability-related screen, target or commitment are designed to align with all set expectations, considering relevant environmental, social and / or governance characteristics and PAIs, as detailed in, for example, Product prospectuses. Outside of products with a sustainability-related screen, target or commitment, BFS does not make entity or product-level commitments to meet environmental and / or social standards in relation to the assets it manages on behalf of clients.  Further detail on BlackRock's approach to principal adverse impacts is detailed in section 3 below.
		Scope 2 GHG emissions (tCO2e)	40,264	3,159	2,139			Coverage: 78% (2023: 33%, 2022: 14%) Scope 2 GHG emissions are indirect emissions that an investee company causes from the generation of energy that it purchases or uses.	
		Scope 3 GHG emissions (tCO2e)	2,018,843	148,626	77,075			Coverage: 76% (2023: 30%, 2022: 14%) Scope 3 GHG emissions are emissions produced by other companies or parties involved in the investee company's value chain.	
		Total GHG emissions (tCO2e)	2,180,092	170,772	95,581			Coverage: 76% (2023: 30%, 2022: 14%) Due to the methodology from the underlying data providers, the 'Total GHG emissions' indicator is not an aggregate of the reported Scope 1, 2, and 3 GHG emissions. The Scope 1, 2, and 3 GHG emissions figures reflect the latest available data (as at the data collection date), in line with the relevant regulatory requirements. Comparatively, the Total GHG emissions figure is calculated using the latest year for which data is	

								available across the 3 scopes, for consistency.	
	2. Carbon footprint	Carbon footprint (tCO2e / mEUR AUM)	<b>32</b>	<b>3</b>	<b>5</b>			Coverage: 76% (2023: 30%, 2022: 14%)	
	3. GHG intensity of investee companies	GHG intensity of investee companies (tCO2e / mEUR revenue)	<b>63</b>	<b>5</b>	<b>11</b>			Coverage: 76% (2023: 30%, 2022: 15%)	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector (%)	<b>0.5%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>9%</b>	<b>3%</b>	Coverage: 75% (2023: 32%, 2022: 13%)	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources (%)	<b>58%</b>	<b>51%</b>	<b>45%</b>			Coverage: 74% (2023: 32%, 2022: 14%)  The 'Percentage of non-renewable energy consumption' reflected here is only calculated for companies that do not belong to the utilities sector. The data provider considers both renewable energy purchased and renewable energy produced for self-consumption in the calculation of the metric.	
		Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	<b>43%</b>	<b>58%</b>	<b>61%</b>			Coverage: 60% (2023: 60%, 2022: 41%)  The 'Percentage of non-renewable energy production' reflected here is only calculated for companies in the utilities sector. The data provider considers both renewable energy purchased and renewable energy produced for self-consumption in the calculation of the metric.	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	<b>0.5</b>	<b>2.2</b>	<b>0.7</b>			Coverage: 98% (2023: 85%, 2022: 13%)  This metric is calculated in relation to all high impact climate sectors that are disclosed individually below.	

		Energy Consumption Intensity per High Impact Climate Sector A (GWh / mEUR rev)	0.5	0.0	0.0			Sector A refers to agriculture, forestry and fishing	
		Energy Consumption Intensity per High Impact Climate Sector B (GWh / mEUR rev)	1.0	0.8	1.0			Sector B refers to mining and quarrying	
		Energy Consumption Intensity per High Impact Climate Sector C (GWh / mEUR rev)	0.3	0.9	0.3			Sector C refers to manufacturing	
		Energy Consumption Intensity per High Impact Climate Sector D (GWh / mEUR rev)	1.4	3.5	3.0			Sector D refers to electricity, gas, steam and air conditioning supply	
		Energy Consumption Intensity per High Impact Climate Sector E (GWh / mEUR rev)	0.5	0.0	1.3			Sector E refers to water supply: sewerage, waste management and remediation activities	
		Energy Consumption Intensity per High Impact Climate Sector F (GWh / mEUR rev)	0.1	0.0	0.0			Sector F refers to construction	
		Energy Consumption Intensity per High Impact Climate Sector G (GWh / mEUR rev)	0.1	0.0	0.0			Sector G refers to wholesale and retail trade; repair of motor vehicles and motorcycles	
		Energy Consumption Intensity per High Impact Climate Sector H (GWh / mEUR rev)	0.9	0.1	0.0			Sector H refers to transportation and storage	
		Energy Consumption Intensity per High Impact Climate Sector L (GWh / mEUR rev)	0.4	0.2	0.1			Sector L refers to real estate activities	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive	0%	0%	0%	2%	1%	Coverage: 74% (2023: 23%. 2022: 13%)	

		areas where activities of those investee companies negatively affect those areas (%)							
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average (t / m EUR EVIC <sup>2</sup> )	0.00	0.00	0.00			Coverage: 27% (2023: 21%, 2022: 8%)	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average (t / m EUR EVIC)	1.7	3.6	0.0			Coverage: 75% (2023: 30%, 2022: 6%)	
<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>									
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprise	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%)	0%	0%	0%	16%	6%	Coverage: 74% (2023: 23%, 2022: 13%)	Please refer to the actions taken, and actions planned and targets set disclosure above.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational	93%	99%	97%	0%	<0.5%	Coverage: 78% (2023: 38%, 2022: 14%)	

<sup>2</sup> 'EVIC' refers to Enterprise value including cash.

	Global Compact principles and OECD Guidelines for Multinational Enterprises	Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%)							
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	13%	18%	20%			Coverage: 51% (2023: 27%, 2022: 10%)  Per the SFDR RTS, 'unadjusted gender pay gap' means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees.	
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	40%	39%	36%			Coverage: 79% (2023: 39%, 2022: 18%)	
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	<0.01%	<0.01%	<0.01%	<0.01%	<0.01%	Coverage: 76% (2023: 34%, 2022: 6%)	

\*There are several limitations associated with these figures. Please review the PAI indicators disclosed above in conjunction with the limitations detailed in section 3.4.



**Table 2: Indicators applicable to investments in sovereigns and supranationals**

Indicators applicable to investments in sovereigns and supranationals*							
Adverse sustainability indicator		Metric	Impact (2024)	Impact (2023)	Impact (2022)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries (tCO <sub>2</sub> e / m EUR GDP)	11	5	8	Coverage: 91% (2023: 88%, 2022: 79%)	Please refer to the actions taken, and actions planned and targets set disclosure in Table 1.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0.0	0.0	0.0	Coverage: 91% (2023: 94%, 2022: 87%)	
		Number of investee countries subject to social violations (relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0%	0%	0%	Coverage: 91% (2023: 94%, 2022: 87%)	

\*There are several limitations associated with these figures. Please review the PAI indicators disclosed above in conjunction with the limitations detailed in section 3.4.

**Table 3: Indicators applicable to investments in real estate assets held in funds / portfolios**

Indicators applicable to investments in real estate assets held in funds / portfolios*							
Adverse sustainability indicator		Metric	Impact (2024)	Impact (2023)	Impact (2022)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0%	0%	0%	Coverage: 100% (2023: 100%, 2022: 100%)	Across BlackRock's real estate portfolios, climate related risks and opportunities are reviewed in accordance with environmental, social and / or governance integration at BlackRock: <a href="#">blk-esg-investment-statement-web.pdf (blackrock.com)</a>
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	45%	53%	49%	<p>Coverage: 94% (2023: 90%, 2022: 68%)</p> <p>Per the SFDR RTS, this PAI must be calculated in accordance with a formula that includes value of real estate assets built before 31/12/2020 with an energy performance certificate ('EPC') rating of C or below, Value of real estate assets built after 31/12/2020 with Primary Energy Demand ('PED') below nearly zero-energy building ('NZEB') in Directive 2010/31/EU, and value of real estate assets required to abide by EPC and NZEB rules. BFS also holds investments in real estate assets that are not in-scope of the EPC and NZEB rules. In line with the regulatory guidance, only assets in scope for PAI 18 were included in the denominator for this calculation.</p>	<p>For its real estate portfolios, BlackRock places an emphasis on ownership and asset management in equity real estate investments.</p> <p>Where applicable, BlackRock has strategies to improve energy efficiency, including assessment of repositioning and capital expenditure costs, for example, by integrating such considerations within asset management activities, sustainability actions plans and net zero roadmaps, and by targeting energy performance via maintenance, upgrade, refurbishment and/or redevelopment activities.</p> <p>For new construction and major development projects, BlackRock reviews the opportunities for achieving higher energy performance certificate ('EPC') ratings.</p> <p>Risks and opportunities are reviewed in accordance with environmental, social and / or governance integration at BlackRock: <a href="#">blk-esg-investment-statement-web.pdf (blackrock.com)</a>. Integration efforts are underpinned by the collation of detailed data and BlackRock has established data programmes for property-level and aggregated portfolio-level sustainability performance metrics, including energy consumption and associated greenhouse gas emissions.</p>

\*There are several limitations associated with these figures. Please review the PAI indicators disclosed above in conjunction with the limitations detailed in section 3.4.

**Table 4: Other indicators for principal adverse impacts on sustainability factors**

Other indicators for principal adverse impacts on sustainability factors*									
Adverse sustainability indicator		Metric	Current year methodology			Prior year methodology		Explanation	Actions taken, and actions planned and targets set for the next reference period
			Impact (2024)	Impact (2023)	Impact (2022)	Impact (2023)	Impact (2022)		
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	96.2%	99.7%	99.7%	82%	93%	Coverage: 80% (2023: 40%, 2022: 20%)  A company is deemed to have an emissions reduction initiative in place if it has set a Science Based Targets initiative ('SBTi') approved target. Companies with only committed targets but which are not SBTi approved are not considered to have emission reduction initiatives in place.	Please refer to the actions taken, and actions planned and targets set disclosure in Table 1
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	93.7%	98.7%	96.6%	13%	8%	Coverage: 79% (2023: 38%, 2022: 6%)	

\*There are several limitations associated with these figures. Please review the PAI indicators disclosed in conjunction with the limitations detailed in section 3.4.

### **3. Description of policies to identify and prioritise principal adverse impacts of investment decisions on sustainability factors**

#### **3.1. BlackRock's approach to principal adverse impacts**

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.

Where relevant and consistent with the fund or account's investment objectives, BlackRock incorporates financially material environmental, social and / or governance data or information, alongside other information, into firmwide processes, with the objective of enhancing the risk-adjusted returns of clients' portfolios. As with other investment risks and opportunities, the financial materiality 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 the firm's approach to risk management.

For clients interested in sustainability, BlackRock offers a wide range of investment products, analytics and research to help them achieve their chosen investment objectives. Products with a sustainability-related commitment or objective, which may or may not align with the PAIs considered in this statement, may include:

- The application of different screens, either alone or in combination, to constrain investments by avoiding issuers or business activities with certain environmental, social and / or governance characteristics.
- A commitment to investments with 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.
- A commitment to generate positive, measurable, and additional sustainability outcomes.

The PAI indicators disclosed by BFS relate to the assets managed by BFS on behalf of clients. The PAI indicators disclosed by BFS are therefore predominantly influenced by two factors: (i) client preferences, on account of clients choosing which Products to invest in and the extent of investments made in those Products, and (ii) market conditions, which affect the type and the weighting of assets held in the Products that clients are invested in.

While investments held in Products managed by BFS can have positive impacts on stakeholders and society, the business activities of certain issuers / investments reflected in BFS's Products may have adverse impacts on the environment or people. Where BFS's Products include a commitment or objective relevant to specific PAIs (or a subset of PAIs), BFS discloses how it considers those PAIs in its pre-contractual disclosures and periodic reporting.

#### **BlackRock's approach to investment risk**

BlackRock considers many investment risks in its firmwide processes. To seek the best risk-adjusted returns for clients, BlackRock manages material risks and opportunities that could impact portfolios, including financially material environmental, social and / or governance-related data or information.

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 may be identified through exposure to key performance indicators linked directly to environmental, social and / or

governance-related activities, or identified indirectly through their effect on different existing risk types (including, but not limited to, market, liquidity, concentration, credit, asset-liability mismatches, etc.). 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.

Sustainability risks, which may or may not include the PAI indicators considered above, are identified at various steps of the investment process, where relevant, from research, allocation, selection, portfolio construction decisions, or management engagement, and are considered relative to the funds' risk and return objectives. Assessment of these risks is done relative to their materiality (i.e. likelihood of impacting returns of the investment) and in tandem with other risk assessments (e.g. liquidity, valuation, etc.). How sustainability considerations are sourced, assessed, and incorporated will vary with portfolio objective, investment style, and asset class. BlackRock's investment professionals assess a variety of economic and financial indicators, including relevant material environmental, social and / or governance factors, to make investment decisions that align with the Product's objectives. The role of BlackRock's investment professionals, and the three lines of defence more broadly, is considered in more detail in section 3.2 below.

## **Engagement**

BlackRock stewardship analysts may engage with the boards and management of companies in which clients are invested to listen to their perspectives on material business risks and opportunities they are facing to help make more informed voting decisions. At a Product level, engagement activities may be carried out in addition to binding Product-level commitments or objectives, but engagement by stewardship analysts is not focused on, or intended to result in, a company committing to a reduction of PAIs. Further information on the engagement policies / activities performed by BlackRock's stewardship analysts is provided in Section 4 'Engagement Policies' below.

## **3.2. Governance & accountability**

The Committee is responsible for the oversight and approval of this entity statement and ensuring that the technical infrastructure and human resources necessary to exercise related activities are in place. In doing so, the Committee leverages the skills, experience, and depth of resource of the Committee and Senior Management, as well as the expertise of the wider BlackRock business. BFS ensures and verifies on a regular basis that the investment commitments and strategies of its Products comply with and reflect the relevant pre-contractual disclosures, including any investment commitments that consider the PAI indicators disclosed in Section 2 above. These Product-level commitments, and the associated BlackRock methodologies, are periodically reviewed to ensure they remain accurate and are subject to governance and oversight that ensure the ongoing appropriateness of BFS's approach to the SFDR. This includes consideration of the disclosure of PAI indicators.

BFS leverages the expertise of the wider BlackRock business, including the Finance and Strategy, Risk and Quantitative Analysis ('RQA'), Sustainable and Transitions Solutions ('STS'), Technology and Operations, and Legal & Compliance functions in respect of delivering PAI data and disclosures on an ongoing basis. Representatives of BFS contribute to the preparation and review of the BFS PAI Statement.

Though the responsibility for implementing the BFS PAI Policy (approved 30 June 2025) ultimately sits with the Committee, the below framework and internal functions facilitate the implementation of BFS's PAI Policy. The functions considered below (see section titled 'The three lines of defence') report to the BFS Committee. The majority of BFS and BlackRock's pre-existing investment, Product and / or risk management policies have a broad coverage and may, therefore, not specifically reference PAIs but nonetheless remain relevant in relation to PAIs.

## The three lines of defence

BlackRock employs a three-lines of defence approach to managing investment risks in client portfolios:

1. BlackRock's investments and business management teams are the primary risk owners, or first line of defence. Portfolio managers and research analysts are responsible for evaluating the financially material environmental, social and governance 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. See the section titled '**Role of Investment Professionals**' below for further detail on the role of BlackRock's investment teams.
2. BlackRock's risk management function, RQA, serves as the second line of defence in BlackRock's risk management framework along with BlackRock Legal & Compliance. RQA is responsible for BlackRock's Investment and Enterprise risk management framework, 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.
3. The third line of defence, BlackRock's Internal Audit function, 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.

## The role of Investment Professionals

Investment professionals contribute to the consideration of sustainability factors, including financially material environmental, social, and / or governance-related risks stemming from the presence of PAIs, in BlackRock's investment decisions. Environmental, social and / or governance integration is a part of the investment process, and as with all other components of the investment process, is the responsibility of BlackRock's investment teams.

The process for assessing and managing financially material environmental, social and / or governance risks in BlackRock's active funds and advisory strategies, where applicable, is consistent with BlackRock's approach to managing other risk criteria and includes the following: i) each strategy has a description of how financially material environmental, social and / or governance data or information fits into its investment process, ii) Portfolio Managers are accountable for managing exposure to financially material environmental, social and / or governance risks, and iii) investment teams are able to provide evidence of how they consider financially material environmental, social and / or governance data or information in their investment processes.

In index portfolios, BlackRock's responsibility is to track a predetermined benchmark index. Index portfolios will reflect the characteristics of the index providers' methodology. BlackRock is restricted from making changes to the fund's portfolio which would deviate from its underlying index or increase its tracking error unless directed to by clients. Therefore, an index tracking investment approach creates an investment constraint that does not allow for active management of environmental, social and / or governance considerations without a change to the underlying index. Where applicable for dedicated sustainable indices, BlackRock considers the suitability of sustainability characteristics and risks of a fund when designing the fund and carrying out due diligence on its underlying index as part of index selection.

Please refer to BlackRock's firm-level ESG Integration Statement for additional information. Further information is also available in the BFS [sustainability risk statement](#) (prepared in accordance with SFDR Article 3).

### 3.2.1 Global and regional governance considerations<sup>3</sup>

The following regional and global bodies contribute to the setting and implementation of BlackRock's sustainability strategy and should be considered alongside the responsibilities of the BFS Dirigeants Committee and senior management, and the three lines of defence more broadly.

**Product Development Committee ('PDC'):** Product development and governance around sustainable funds is managed through BlackRock's Global Product Solutions ('GPS') function and the EMEA Product Development Committee (and its sub committees) which are responsible for: a) Centralised governance of EMEA sustainable investment funds; b) Platform alignment to ensure all funds are appropriately classified, positioned and marketed, including setting naming conventions; and c) Management of new sustainable funds in the pipeline. The members of these committees include representatives from STS, GPS, RQA, Legal & Compliance, the Portfolio Management Group, the BlackRock Global Markets and Index Investments team, Institutional and Wealth Product Strategy teams and BlackRock Private Markets. After the PDC process is completed, the Dirigeants Committee considers all new Products.

**BlackRock Group Oversight:** BlackRock's governance with respect to sustainability-related matters reflects the firm's commitment to strong leadership and oversight of such matters at the BlackRock Board and senior management levels. Sustainability issues are regularly part of BlackRock's board-level discussions of firm and business line strategy, and responsibility for sustainability oversight is shared across the full BlackRock board and its committees.

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 the firm's overall business strategy and among one of several senior management responsibilities over which the BlackRock board has oversight.

The Nominating and Governance Committee ('NGC') of the BlackRock Board oversees investment stewardship, public policy, corporate sustainability and social impact activities. The NGC periodically reviews corporate and investment stewardship-related policies and programs, as well as significant publications relating to sustainability matters. As appropriate, it makes recommendations on these matters to be reviewed by the full BlackRock Board. The NGC also periodically reviews the firm's approach to public policy and advocacy activities, including public policy priorities and memberships in trade associations, as well as the philanthropic programs of the firm and related strategies.

The BlackRock Global Executive Committee ('GEC') sets the strategic vision and priorities of the firm and drives accountability at all levels. The Investment Sub-Committee of the BlackRock GEC oversees the firm's investment processes. Members of the Investment Sub-Committee include the Chief Risk Officer and the global heads or sponsors of all major investment divisions; the major investment divisions include BlackRock Global Markets and Index Investments, Portfolio Management Group, Global Trading and Transition Management, Infrastructure and Equity Private Markets.

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<sup>3</sup> The organisational structure referred to in this section reflects arrangements as at 31 December 2024.

### 3.3. Methodologies to select the additional indicators

As outlined in section 2 above, BFS discloses at an entity-level principal adverse impacts in relation to the 18 mandatory indicators, 1 additional environmental indicator and 1 additional social indicator.

The selection of additional PAI indicators, as disclosed in table 4 above, was influenced by several factors, including:

- a. The availability of underlying data from primary sources;
- b. The degree of interpretation associated with the calculation/derivation of the PAI indicator; and
- c. The proportion of the investable universe for which the underlying data is available.

BlackRock selected the following two additional PAI indicators, in consultation with the BFS Committee.

1. **Environmental indicator: Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement.**

A company is deemed to have an emissions reduction initiative in place if it has set a Science Based Targets initiative ('SBTi') approved target. Companies with only committed targets but which are not SBTi approved are not considered to have emission reduction initiatives in place. The data provider with whom BlackRock engages for the provision of PAI data uses SBTi data to determine the existence of a 'carbon reduction initiative'. Data is then used to calculate companies without reduction initiatives for full coverage of the corporate universe.

2. **Social indicator: Share of investments in entities without a human rights policy.**

While the indicator itself is binary ('Yes' / 'No'), the process employed to generate each policy commitment is subjective and based on differing perspectives and governance structures adopted by the underlying companies in whom BFS's assets under management are invested.

It is important to note that room for interpretation and uncertainty exists in how companies advance the policy outcomes and commitments they set; this should be considered when reviewing the PAI indicators referenced above.

### 3.4. Methodologies to identify and assess principal adverse impacts

BlackRock's internal processes are focused on delivering high-quality, standardised and consistent data to be used by investment professionals and for transparency and reporting purposes. Environmental, social and / or governance-related data is received through BlackRock's existing interfaces, and then processed through a series of data quality, completeness and methodology checks.

BlackRock's integrated technology enables it to compile data about issuers and investments. This data spans a variety of environmental, social and / or governance metrics and a variety of data providers. BlackRock makes this data available to investment teams, as well as other support and control functions, including BlackRock's RQA function.

BlackRock Portfolio Managers have access to research, data, tools, and analytics to integrate environmental, social and / or governance insights into their investment process. BlackRock Aladdin is BlackRock's operating system that connects the data, people, and technology necessary to manage portfolios in real time, as well as the engine behind BlackRock's environmental, social and governance analytics and reporting capabilities. BlackRock's Portfolio Managers use Aladdin to make investment decisions, monitor portfolios and to access material environmental, social and / or governance-related data and information that can inform the investment process.



The disclosures contained in this section should be reviewed in conjunction with section 3.1 above.

### **Data Sources Used**

BlackRock applies a comprehensive due diligence process to evaluate data providers and the underlying data sets they provide, with targeted methodology reviews and coverage assessments.

For the purpose of the PAI indicators disclosed above, BlackRock assessed environmental, social and / or governance-related data and data providers across several dimensions, including in relation to:

1. **Data collection processes** – evaluating data providers' underlying data sources, and data collection protocols, including consideration of machine learning and manual data gathering processes.
2. **Data coverage** – assessing data coverage across the universe of assets managed by BlackRock on behalf of clients, including consideration of the proportion of reported versus estimated or data.
3. **Methodologies** – evaluating data providers' data collection and calculation methodologies, and alignment to regulatory requirements / frameworks.
4. **Data Verification** – evaluating data providers' approaches to data verification and quality assurance.
5. **Operational capabilities** – assessing the size and experience of the research teams, training programmes, and use of third-party providers.

### **Private markets data**

When investing in private markets, including BlackRock's infrastructure, real estate, private equity and private credit strategies, the availability of reliable, accurate and complete environmental, social and / or governance-related data, including in relation to PAIs, can remain challenging. BlackRock has developed proprietary approaches for collating a wide range of material environmental, social and / or governance-related datapoints across its portfolios, which in turn are helping inform the availability of relevant PAI data. For example, across many of BlackRock's infrastructure and real estate strategies, BlackRock is partnering with third-party sustainability data management system providers to collate material environmental, social and / or governance-related datapoints at the individual investment-level. Where possible, BlackRock may also partner with third-party specialist consultants and other service providers to drive engagement programmes across private markets portfolios. In doing so, BlackRock's objective is to encourage the sharing of such information, and to advance the development of more consistent methodologies to collate this information going forward.

In addition, where possible and appropriate, BlackRock undertakes direct engagement across BlackRock's private markets portfolios, helping to better understand environmental, social and / or governance-related performance across its portfolio companies, and to source PAI and other related information.

### **Margin of error in the collation of PAI indicators inputs**

Methodologies and processes to identify and monitor PAIs are reliant on data availability and are exposed to quality imperfections. Despite the data assessments performed by BlackRock, as outlined above, BlackRock is reliant on the quality of data received from investee companies and third-party data providers, including the methodologies and assumptions underpinning the data. While specific data limitations may apply to each of the PAI indicators, the following overarching limitations should be considered when reviewing the PAI indicators disclosed in tables 1 to 4.

- **Data quality:** the accurate computation of PAI indicators in investment portfolios requires high-quality security-level data for underlying investee companies. While many companies are measuring and publicly reporting metrics relevant to the calculation of the PAI indicators

disclosed in tables 1 to 4, divergence in the reporting and disclosure frameworks applicable across issuers, sectors and jurisdictions creates inconsistency in the availability and quality of the required metrics. While data reported by investee companies is prioritised, BlackRock relies on estimated or proxy measures from third-party data providers to cover BlackRock's broad investible universe of issuers, where necessary and appropriate. Estimated data, as well as limitations in reported data, may reduce the reliability of the metrics since data may not accurately reflect the actual impact of a given company. However, BlackRock seeks to ensure that its use of estimates is in line with regulatory guidance and that BlackRock has the necessary documentation and transparency from data providers in respect of their methodologies.

- **Lagged data:** Environmental, social and / or governance data reporting by companies is often produced on a lag relative to financial data, as most sustainability data disclosure and reporting takes place on an annual basis and requires significant time to produce. In addition, there may be a lag between the time when data is disclosed by companies and when it is incorporated into the dataset produced by the third-party data providers with whom BlackRock engages.
- **Sensitivity to market volatility:** the PAI indicators disclosed in tables 1 to 4 are sensitive to fluctuations in asset values and increases / decreases in assets under management. Market volatility can, therefore, reduce comparability from one year to the next. Other factors that drive changes in PAI indicators are: (i) changes made by an investee company across reporting periods, and (ii) changes to asset allocation. Sensitivity to market volatility can obscure which of these factors is driving the changes in a PAI indicator year-over-year. As such, the PAI indicators disclosed in tables 1 to 4 are not directly comparable across reporting periods.
- **Indirect investments:** in some instances, BlackRock may not be able to obtain the requisite information in respect of indirect investments, including in relation to, for example, fund-of-fund investments and certain derivatives.

As detailed in section 2 above, a coverage percentage is disclosed alongside each PAI indicator in tables 1 to 4. On account of the data limitations detailed above, the PAI indicators should be considered in conjunction with the corresponding coverage percentage.

BlackRock will continue to review its approach to the disclosures contained in this statement, including in relation to environmental, social and governance-related datasets, as disclosure frameworks and industry practice continue to evolve.

## 4. Engagement Policies

### 4.1. BlackRock Investment Stewardship

BFS may leverage the BlackRock Investment Stewardship team to carry out engagement, where required, noting that most BFS Products are invested in private markets.

As stewards of BlackRock client assets, stewardship analysts engage with companies and votes at shareholder meetings to promote sound corporate governance and business practices that support companies in delivering durable, risk-adjusted financial returns over time.

BlackRock Investment Stewardship ('BIS') is a dedicated function within BlackRock, which is responsible for stewardship activities in relation to clients' assets invested in index equity strategies. Approximately 90% of BlackRock clients' public equity assets under management are held in index equity strategies, as of 31 December 2024.<sup>4</sup>

Other teams across BlackRock may engage with companies to help inform their work on a broad spectrum of risk and value drivers in their investible universe (see section '4.2 Engagement policies besides SRD II to address PAIs' below). At a Product level, engagement activities may be carried out in addition to binding Product-level commitments (such as the application of screens or certain objectives), but engagement by stewardship analysts is not focused on, or intended to result in, a company committing to a reduction of PAIs. BlackRock stewardship's efforts across the firm are focused on making decisions consistent with clients' stated objectives.

**BlackRock's stewardship program has four key pillars:**

#### 1. Engaging with companies

BlackRock stewardship analysts engage with the boards and management of companies in which clients are invested to listen to their perspectives on material business risks and opportunities they are facing to help make more informed voting decisions.

#### 2. Proxy voting on behalf of clients

Voting at a company's shareholder meeting is a basic right of share ownership and the formal means by which investors express their views on a company's corporate governance and performance.

When authorised by clients to vote on their behalf, BlackRock votes to convey support for or concern about a company's approach to delivering financial returns for investors over time.

#### 3. Contributing to industry dialogue on stewardship

BlackRock's stewardship teams contribute to market-level discussions to share perspectives on topical and emerging stewardship issues.

#### 4. Reporting on BlackRock's stewardship activities

BlackRock informs clients about its stewardship activities on behalf of its clients through a range of publications on BlackRock's website, as well as through direct reporting.

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<sup>4</sup> In October 2024, BlackRock announced the creation of BlackRock Active Investment Stewardship ('BAIS'), a dedicated stewardship team for active portfolios. Starting in 2025, BAIS will support BlackRock's active investment teams and build upon the ability they have always had to engage and exercise votes consistent with their portfolio objectives.

### **Offering more choice to meet clients' investment needs**

In addition to BlackRock's stewardship policies, BlackRock offers a climate and decarbonisation stewardship program, which 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' approach to investment stewardship**

BIS' Benchmark Policies are the foundation for the team's stewardship activities. The policies - which are comprised of published BIS Global Principles, regional voting guidelines for European, Middle Eastern, and African securities, and engagement priorities - take a financial materiality-based approach and are focused solely on advancing clients' financial interests.

BIS' activities are not designed to drive any specific sustainability, or in this context PAI, outcome. As one of many minority shareholders in public companies, BIS does not direct a company's strategy or its implementation. Setting, executing, and overseeing strategy are the responsibilities of a company's management team and its board.

BIS engages with the boards and management of companies in which clients are invested to listen to their perspectives on material business risks and opportunities they are facing to help make more informed voting decisions. BIS' approach to investment stewardship - including engagement and voting on behalf of clients - is explained in the BIS Benchmark Policies. While BIS' activities are not designed to drive PAI outcomes, the themes of BIS' engagement under its Policies may, at times, align with the themes of certain PAI indicators.

BIS' five engagement priorities are: board quality and effectiveness; strategy, purpose, and financial resilience; incentives aligned with financial value creation; climate and natural capital; and company impacts on people. The BIS engagement priorities reflect the themes on which the team most frequently engages companies, where they are relevant, as these can be a source of material business risk or opportunity. The BIS priorities and related engagement commentaries are published on the BIS website.

### **Shareholder Rights Directive II**

Separately, BlackRock's Shareholder Rights Directive II Engagement Policy is applied by all its asset manager entities within the scope of the Shareholder Rights Directive II (Directive 2007/36/EC as amended by Directive 2017/828). BlackRock adheres to the reporting requirements of the Shareholder Rights Directive II. Further information is available at: <https://www.blackrock.com/uk/professionals/solutions/shareholder-rights-directive>.

## **4.2. Engagement policies besides SRD II to address PAIs**

### **BlackRock Investment Team Engagement**

Separately to BlackRock's stewardship teams' engagements with investee companies, investment teams may also engage with the companies they invest in on governance and sustainability-related issues, including PAIs, across public and private markets. Investment team engagement is undertaken as part of the investment decision making process.

Where engagement is identified by a particular portfolio management team as a means by which to assess an investee company's commitment to high standards of corporate governance and business practices on material sustainability-related risks and opportunities, the engagement approach will be described in the prospectus and website disclosures particular to that Product.

Where active portfolio management teams choose to leverage engagement, this can take a variety of forms but, illustratively, the teams may seek to have regular and continuing dialogue with executives or board directors of relevant investee companies. Teams may engage on how investee companies manage material sustainability-related risks and opportunities in their business models, which may encompass PAIs. In their engagement, a portfolio management team may discuss concerns, build their understanding of opportunities, and share constructive feedback, based on the view that material sustainability-related risks and opportunities may impact a business's long-term strategy and fundamental value, across all asset classes.

For BlackRock's sustainable index equity fund ranges or client mandates, Index investment teams do not perform direct engagement with the companies / issuers within the index for the purposes of a specific sustainable outcome. Index investment teams may engage directly with the index and data providers to ensure better analytics and stability in environmental, social and / or governance-related metrics. BIS engagement activities described above are fundamental to the Index platform's stewardship approach.

Investment team engagement approaches may adapt as PAI information, industry practice, disclosure standards and / or regulatory guidance evolves.

## 5. References to international standards

In order to better serve the firm's 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.

Participation in these groups helps the firm provide insights to clients interested in ways to mitigate risk and capture opportunities associated with, among other things, sustainability and the transition to a low-carbon economy.<sup>5</sup>

BlackRock's investment decisions and its stewardship engagement 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 its clients.

BlackRock serves on the Principals Group for the Glasgow Financial Alliance for Net Zero ('GFANZ') and is a member of the Sustainable Markets Initiative ('SMI'), as well as various other relevant global, regional or sectoral sustainability-related initiatives. BlackRock has been a member of the Taskforce on Nature-related financial disclosures since its launch in 2020.

In early 2024, BlackRock transferred its Climate Action 100+ membership to its international business, BlackRock International.<sup>6</sup> In early January 2025, BlackRock also announced it formally withdrew from the Net Zero Asset Managers ('NZAM') initiative.<sup>7</sup>

### Climate scenario analysis

BlackRock uses proprietary forward-looking climate scenario modelling capabilities through its operating system Aladdin. While scenarios are widely used by BlackRock investment teams, they are not relied upon by these teams as a means of considering PAIs. The binding investment processes described above do not include this scenario analysis.

### Real Estate

BlackRock has been a member of the Global Real Estate Sustainability Benchmark ('GRESB') since 2011. GRESB is a leading industry sustainability benchmark for Real Assets, which has the objective of providing standardised and validated data on environmental, social and / or governance-related performance of real estate assets. Where applicable, BlackRock annually submits its real estate portfolios for assessment in GRESB, and discloses to investors its results, including key outputs, scores and peer rankings.

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<sup>5</sup> In joining various industry groups, BlackRock does not make any commitments or pledges that may interfere with the firm's fiduciary duty to clients. BlackRock's investment decisions are governed strictly by the firm's fiduciary duty to clients, and that duty requires BlackRock to prioritise their financial interests above any commitments or pledges not required by law.

<sup>6</sup> Please see BlackRock's 2024 letter to Climate Action 100+ regarding the transfer of membership to BlackRock International at: <https://www.blackrock.com/corporate/literature/publication/2024-our-participation-in-climate-action-100.pdf>.

<sup>7</sup> The firm's memberships in some climate finance organisations have caused confusion regarding BlackRock's practices and subjected the firm to legal inquiries from various public officials in the United States. Following a routine review of the firm's continued participation in these groups, BlackRock decided to withdraw from the NZAM initiative in January 2025. This will not change products or solutions for clients or how their portfolios are managed. BlackRock's active portfolio managers continue to assess material climate-related risks, alongside other investment risks, in delivering for clients.

## 6. Historical comparison

PAI indicators for the 2022, 2023 and 2024 reporting periods are provided above in Tables 1 to 4. BlackRock's approach to the assessment of PAI indicators and the other matters disclosed in this entity statement has not substantially changed between the reporting periods.

BlackRock's approach to PAIs recognises that different clients have different investment preferences and objectives. The aggregation of PAI data for BFS is a function of the particular Product suite managed by BFS. Consequently, the PAI indicators are predominantly influenced by two overarching factors: (i) client preferences (which Products clients choose to invest in) and (ii) market conditions (affecting the assets held in, and the weightings of assets within, those Products).

BlackRock has assessed material year on year movements in the PAI indicators presented in tables 1 to 4 above, and determined that those movements are primarily attributable to:

- Changes in the population of BFS funds, due to fund launches and closures during the period.
- Changes in the composition of the assets held in BFS funds.
- Changes in data coverage, impacting the availability of data required for the calculation of the PAI indicators.
- Issuer level changes impacting the PAIs.

As methodologies for measuring PAIs continue to evolve, observed changes at the issuer level may result from, among other factors, updates to the calculation methodology adopted by those issuers, and / or methodological updates adopted by the data vendor with whom BlackRock engages to obtain environmental, social and governance data. For example, BlackRock has determined that such methodological updates are driving an increase in the identification of scope 3 emissions, as observed in the relevant current year PAI indicators disclosed above.

## APPENDIX A. Definitions

- **“BlackRock”** means any company within the BlackRock group of companies, of which BlackRock, Inc. is the ultimate parent.
- **“BFS”** means BlackRock France S.A.S, Legal Entity Identifier: 549300J8EENG40ZIIN89.
- **“Clients”** means the entity’s clients or investors in Products managed by BFS.
- **“Financial market participants”** covers EU alternative investment fund managers, UCITS management companies, and regulated investment firms providing portfolio management services. BlackRock’s financial market participants are: (i) BlackRock Asset Management Ireland Limited; (ii) BlackRock Asset Management Deutschland AG; (iii) BFS.; (iv) BlackRock (Luxembourg) S.A.; and (v) BlackRock (Netherlands) B.V.
- **“Principal adverse impacts” (“PAIs”)** means a list of indicators defined by the Regulation that have negative, material, or likely to be material effects on sustainability factors that are caused, compounded by or directly linked to investment decisions and advice performed by the legal entity.
- **“Portfolio Managers”** means those persons within the investment manager to whom day to day responsibility for managing a Product has been allocated.
- **“Product”** means funds and/or separate account portfolios (as applicable).
- **“SFDR”** means Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector.
- **“SFDR RTS”** means Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council.



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