Information to be published and maintained on websites as per SFDR-level I Art. 10(1) and SFDR-level II Art. 23 and Art. 24-36 for a SFDR-Art. 8 product

VERSION HISTORY		
DATE	**PREVIOUS UPDATES**	**MAIN CHANGES**
13/06/2025		First publication

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Sustainability-related disclosures

Following the entry into force of the COMMISSION DELEGATED REGULATION (EU) 2022/1288 of the European Parliament and of the Council of 6 April 2022 (the "**SFDR-level II**") supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council (the "**SFDR-level I**") with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports, as amended, which forms part of the EU's package of measures relating to environmental, social and governance issues, NEAM (hereafter referred to as "**NEAM**" or the "**Management Company**") is committed, inter alia, to publish on its website information in compliance with chapter IV of SFDR-level II.

Resumen

- **Nombre del subfondo: NEF Ethical Global Equity**
  Identificador de la entidad jurídica: 549300OERVUVBWBIJ027

- <u>Sin objetivo de inversión sostenible</u>: este producto financiero promueve características medioambientales o sociales («**E/S**»). Aunque no tiene como objetivo la inversión sostenible, cuenta con una parte de inversiones sostenibles que contribuirá a una serie de objetivos medioambientales y/o sociales que pueden incluir, entre otros, energía alternativa y renovable, eficiencia energética, prevención o mitigación de la contaminación, reutilización y reciclaje, salud, nutrición, saneamiento y educación, y los Objetivos de Desarrollo Sostenible de las Naciones Unidas («**ODS de las Naciones Unidas**»). BlackRock (la «**Gestora de Inversiones**») define las inversiones sostenibles como las inversiones en emisores o valores que contribuyen a un objetivo medioambiental o social, no causan un perjuicio significativo a ninguno de esos objetivos y en las que las empresas participadas siguen prácticas de buen gobierno.

  La Sociedad Gestora supervisará el cumplimiento de la definición de inversión sostenible que se base en la contribución a uno o más ODS de la ONU, tenga cierta alineación con los objetivos de la Taxonomía de la UE o se invierta en un Bono verde/social/sostenible o equivalente. Además, para confirmar que la parte de las inversiones sostenibles que realiza el producto financiero no causa un perjuicio significativo a ningún objetivo de inversión sostenible medioambiental o social, la Sociedad Gestora realiza periódicamente de forma independiente una prueba DNSH (prueba de no causar un perjuicio significativo, por sus siglas en inglés) de la cartera.

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- <u>Características medioambientales o sociales del producto financiero</u>: el Subfondo promueve las características medioambientales, sociales y de gobierno corporativo («**ESG**») al tiempo que trata de invertir principalmente en títulos emitidos por empresas con un buen perfil ESG que representen el universo de inversión. El subfondo utiliza puntuaciones ESG como medio para medir de forma transparente y objetiva el rendimiento, el compromiso y la eficacia en materia ESG de una empresa en términos relativos, basándose en datos verificados y de dominio público. Las puntuaciones ESG cubren 10 temáticas principales, incluidas las emisiones, la innovación medioambiental de productos, el uso de recursos, los derechos humanos, la responsabilidad de los productos, la dirección y los accionistas. Los emisores corporativos que obtienen mejores puntuaciones ESG son percibidos como empresas con prácticas empresariales más sostenibles. Además, el Protocolo de GEI clasifica las emisiones de gases de efecto invernadero en tres alcances, y el Subfondo tiene como objetivo reducir las emisiones de los Alcances 1 y 2 por cada millón de dólares de ingresos en comparación con el índice MSCI World Net Total Return (el «**Índice de referencia**») utilizado para comparar determinadas características ESG promovidas por el Subfondo, excluyendo las emisiones del Alcance 3.
- <u>Estrategia de inversión</u>: el análisis ESG está integrado en los sistemas de gestión de carteras de BlackRock. De hecho, la Gestora de Inversiones ha asumido el compromiso de integrar los criterios ESG en el proceso de inversión del Subfondo, con el objetivo de invertir principalmente en acciones de empresas cotizadas en las bolsas mundiales con un buen perfil ESG, además de los objetivos financieros. La estrategia de inversión del Subfondo consta de los siguientes elementos vinculantes: filtro ESG, lista de exclusión de empresas, porcentajes mínimos de inversión cubiertos por el análisis ESG y de inversiones sostenibles.
- <u>Proporción de inversiones</u>: el Subfondo invierte al menos el 80 % de su patrimonio neto en activos que se han determinado como «admisibles» según el proceso ESG en vigor, tanto a través de exposición directa como indirecta. El Subfondo tendrá un mínimo del 20 % de sus activos en inversiones sostenibles. Hasta un 20 % de las inversiones podrían no ajustarse a estas características.
- <u>Seguimiento de las características medioambientales o sociales</u>: la Gestora de Inversiones supervisa de forma continuada el cumplimiento por parte de las inversiones de las características E/S promovidas. Además, la gestión de riesgos de la Sociedad Gestora supervisa el cumplimiento de los elementos obligatorios. De este modo, el Subfondo utiliza la Calificación ESG para evaluar si se alcanzan las características E/S promovidas.
- <u>Mé~~e~~todos</u>: la consecución de las características medioambientales y sociales promovidas se evalúa mediante la aplicación de una metodología propia de evaluación ESG. La metodología aplica una serie de Criterios ESG (el «**Filtro ESG**») para evaluar la consecución de las características medioambientales y sociales promovidas por grupo de activos (emisores de acciones y OIC/OICVM de capital variable específicos) y menor intensidad de las emisiones de gases de efecto invernadero de la cartera en relación con el índice

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de referencia). La Sociedad Gestora recurre a proveedores externos de datos ESG para supervisar el perfil de sostenibilidad del Subfondo.

- Fuentes y tratamiento de datos: la Gestora de Inversiones tiene acceso a estudios, datos, herramientas y análisis para integrar las perspectivas ESG en su proceso de inversión. Los conjuntos de datos ESG se obtienen de proveedores de datos externos, incluidos, entre otros, MSCI, Sustainalytics, Refinitiv, S&P y Clarity AI. Los datos ESG recibidos a través de interfaces existentes se tratan mediante una serie de controles de calidad y comprobaciones de integridad que pretenden garantizar que los datos son de alta calidad antes de facilitarlos para su uso posterior en los sistemas y aplicaciones de BlackRock. La Sociedad Gestora también se basa en dos proveedores de servicios y en la información pública de las empresas para realizar su seguimiento.
- Limitaciones de los métodos y los datos: la Gestora de Inversiones y la Sociedad Gestora se basan en datos facilitados por terceros proveedores de datos que pueden aplicar modelos diferentes y pueden contener datos inexactos o incompletos. La Gestora de Inversiones y la Sociedad Gestora tienen constantemente en cuenta y mitigan estas limitaciones.
- Diligencia debida: la Gestora de Inversiones aplica un alto nivel de diligencia debida en la selección y supervisión continua de las inversiones realizadas por el producto financiero con el fin de cumplir las directrices de inversión, liquidez y riesgo del subfondo, así como los criterios de riesgo de sostenibilidad, criterios ESG y rendimiento general. La Sociedad Gestora también procede a una diligencia debida anual de la Gestora de Inversiones delegada centrada en cuestiones de Sostenibilidad que abarca, entre otros, la integración ESG en el proceso de inversión, la integración de los PIA y el cumplimiento general del compromiso asumido en el documento precontractual.
- Políticas de implicación: aunque el Subfondo no utilice la interacción como medio para cumplir sus compromisos vinculantes con las características medioambientales o sociales o los objetivos de inversión sostenible, la Gestora de Inversiones pretende entablar un diálogo regular y continuo con las empresas participadas para promover una gobernanza sólida y prácticas empresariales sostenibles orientadas a las características ESG identificadas y las principales incidencias adversas, así como para comprender la eficacia de la gestión y supervisión de las actividades de la empresa diseñadas para abordar los problemas ESG identificados. La interacción también permite al equipo de gestión de carteras proporcionar comentarios sobre las prácticas y divulgaciones de la empresa.

No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment. It will nevertheless partially invest in sustainable investments according to article 2(17) SFDR.

The objectives of the sustainable investments addressed by the Investment Manager are a range of environmental and / or social objectives which may include but are not limited to,

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alternative and renewable energy, energy efficiency, pollution prevention or mitigation, reuse and recycling, health, nutrition, sanitation and education and the UN Sustainable Development Goals ("Environmental and Social Objectives").

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

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

Additionally, the partially investment in sustainable investments according to article 2(17) SFDR is ensured by the Management Company who runs ex-post independently checks on the portfolio at least quarterly.

The Management Company considers that, in order to be classified as sustainable investment, an investment should either:

1. Be aligned with the EU Taxonomy objectives. A company can be qualified as sustainable investment in case it has more than 20% of its revenues aligned with the EU Taxonomy, or

2. Contribute positively to one or more United Nations Sustainable Development goals ("**UN SDG**") targets. Despite UN SDG targets both environmental and social matters, the ultimate target revolve around human society development in a sustainable way, therefore is meant to contribute to a social objective, or

3. Be a Green Bonds, Social Bonds, Sustainable Bonds, or bonds linked to Sustainable / environmental, social, governance ("**ESG**") / SDGs projects which is meant to contribute to a social or environmental objective depending on the nature of the bond. Such bonds should follow guidelines concerning the use of proceeds such as ICMA or CBI or other recognized independent party.

Regarding point 2, the positive contribution is determined usually by using ISS SDG impact rating. However other equivalent SDG impact analysis could be used. ISS SDG impact rating ranges from -10 to +10. To contribute positively the ISS SDG impact rating should be at least 2.

The ISS SDG impact rating is based on 3 pillars:

- Product and services identify contribution or obstruction to SDGs, based on revenues. The score is ranging from -10 to +10 based on the percentage of revenues contributing or obstructing with the goal, +10 imply a 100% contribution.

- Operations management: evaluate impact along the value chain, based on corporate ESG practices and impact. The score is ranging from -10 to +10.

- Controversies: identify alleged or verified failure to respect norms that obstruct SDG. The score ranges from 0 (no controversies) to -8 (large negative controversies).

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Once these 3 ratings are compiled for each goal, both operation management and controversies are added together and compared to the product and services score. Then the following logic is applied: Highest positive score if only positive scores, Lowest negative score if only negative scores, sum of the positive and the negative score in case of mixed scores.

As for the investments in economic activities that contribute to environmental and/or social objectives, it must be ensured that the latter do no significantly harm any sustainable environmental or social investment objectives. The Investment Manager has developed a set of criteria across all sustainable investments to assess whether an issuer or investment does significant harm. Investments considered to be causing significant harm do not qualify as sustainable investments.

For the sustainable investments realized by the Sub-Fund, indicators of the principal adverse impacts on sustainability factors are considered.

The indicators for adverse impacts on sustainability factors for each type of investment are assessed using Investment Manager's sustainable investments proprietary methodology.

The Investment Manager uses third-party data and/or fundamental analysis to identify investments which negatively impact sustainability factors and cause significant harm. Investment Manager makes use of internal analysis and third-party data sources to measure how issuers negatively impact sustainability factors and cause significant harm.
The Investment Manager assess DNSH by reference to all the mandatory principal adverse impact ("PAI") indicators, setting thresholds for significant harm against each, and include information on whether investments are aligned to minimum safeguards.

There are different metrics used for each PAI. Each issuer is assessed against these metrics, and if any metric fails the defined threshold, that issuer fails the DNSH test.

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

When selecting the securities of companies, PAIs are taken into account in particular by (1) setting exclusion criteria, (2) evaluating using an ESG rating and (3) reducing the carbon emission intensity of the portfolio. In addition, the Sub- Fund considers the PAIs through DNSH for sustainable investments.

The Management Company runs periodically on an ex-post basis a DNSH test (do not significant harm test) independently. The DNSH test is based on several pillars among which:

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- Norm based screen: to identify issuer based on the issuer's link with any breaches of international standards;
- Activity-based screens: the screening out of issuers based on their participation in activities with significant negative impacts on society or the environment;
- Sustainability indicators: to ensure that minimum environmental, social and governance characteristics are attained;
- PAI evolution: quantitative data (where available) on PAI indicators is used to evaluate whether an issuer is involved in activities that cause significant harm to any environmental or social objective.

As a general matter, the "do no significant harm" principle, as referred to in article 6 of the 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 does not apply to this Sub-Fund since the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

In case of breaches of this minimum percentage the Investment Manager will be enquired to provide evidence on the sustainability nature of the investments. Based on evidence sent by the Investment Manager and data coming from the Management Company service providers and/or public information the Management Company risk team will give his opinion about the sustainability of the security which should be validated by the Management Committee.

Environmental or social characteristics of the financial product

The Sub-Fund promotes ESG characteristics, while seeking to invest mainly in stocks issued by companies with a good ESG profile that will represent the investment universe. It will notably use an ESG rating as further explained in the other sections of this document.

The Sub-Fund promotes environmental and social characteristics as follows:

The Sub-Fund seeks to address key environmental and social issues that are deemed to be relevant to the issuers' businesses using ESG scores as a means of to transparently and objectively measuring a company's relative ESG performance, commitment and effectiveness, based on verified reported data in the public domain. The ESG scores cover 10 main themes including emissions, environmental product innovation, resource use, human rights, product responsibility, management and shareholders. Corporate issuers that have better ESG scores are perceived to have more sustainable business practices.

Greenhouse gas emissions are categorised into three groups or 'scopes' by the most widely used international accounting tool, the Greenhouse Gas (GHG) Protocol. Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting issuer. Scope 3 includes all other indirect emissions that occur in an issuer's value chain. The Sub-Fund seeks to have a lower greenhouse gas emissions intensity of the portfolio relative to

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the Benchmark (as defined below), which is the estimated greenhouse gas (Scope 1 and Scope 2) emissions per $1 million of sales revenue across the Sub-Fund's holdings. For the avoidance of doubt, Scope 3 is not currently considered for this calculation.

The Sub-Fund has not designated a reference benchmark that it will replicate for the purpose of attaining the environmental and/or social characteristics promoted, however, MSCI World Net Total Return Index (the "**Benchmark**") is used to compare certain ESG characteristics promoted by the Sub-Fund.

Investment strategy

The principal investment objective of the Sub-Fund is to seek an attractive long term rate of return, through a combination of capital growth and income, measured in Euros, through investment primarily in equity securities of companies listed on the world's stock exchanges.

The Sub-Fund uses quantitative (i.e. rule based) approach to stock selection. The models select stocks from a broad universe of equities (remaining after the application of ESG exclusionary screens) and rank them broadly according to multiple characteristics, including company fundamentals, market sentiment, macro-economic themes and ESG characteristics (each of which is described below). The Investment Manager assigns a weighting to each category within the models based on an assessment of the performance, volatility, correlation and turnover within each model. Within the company fundamentals category, the Investment manager uses techniques to assess stock characteristics such as relative valuation, strength of earnings, quality of balance sheet and cashflow trends. Within the market sentiment category, the Sub-Fund uses techniques to assess drivers such as the views of other market participants (for example, sell-side analysts, other investors and company management teams) as well as trends exhibited by related companies. Within the macro-economic themes category, the Sub-Fund uses techniques to position the portfolio with respect to certain industries and styles (such as value, momentum and quality), which are best placed for prevailing macro conditions. The ESG models used fall into various sub-categories, including risk mitigation (identifying companies with a high number of controversies, lawsuits, litigation, or concerns around the amount of tax they pay); human capital (identifying companies who attract a diverse employee base and have fair employment practices); environmental transition (measuring companies' greenhouse gas emissions, water intensity, and green innovation); and social impact (identifying companies who seek to address social issues and disease burden). ESG data is also incorporated across all the above quantitative models.

These quantitative models, combined with an automated portfolio construction tool which is proprietary to the Investment Manager, inform which stocks will comprise the Sub-Fund's portfolio, removing any that conflict with the exclusion list of the Sub-Fund (the "Exclusion List") and replacing them with stocks from within the same universe with a similar expected return. The Investment Manager reviews the positions generated by the portfolio construction tool before they are traded to compare against the categories (as described above) inputted to the model and to consider the impact of any subsequent public information in relation to the

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positions such as merger and acquisition announcements, significant litigation or changes in senior management personnel.
The portfolio construction tool is also subject to investment constraints which optimise the portfolio so that:

a) the weighted average ESG rating of the Sub-Fund is higher than the ESG rating of the Benchmark; and
b) the portfolio has a 30% lower carbon emissions intensity score overall, relative to the Benchmark.

The Investment Manager will create a portfolio that generally seeks to deliver a superior ESG outcome versus the Benchmark.

The Sub-Fund's investment strategy has the following binding elements:

- The "ESG Filter" process as described in the methodology section relative to the ESG rating (positive screening);
- The "Exclusion List" ([1]) made of:
    - Companies involved in activities related to controversial weapons;
    - Companies with important revenues generated from services/products which are oriented toward armaments or warfare;
    - Companies involved in cultivation and production of tobacco;
    - Companies in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
    - Companies that have material involvement in the following business area: coal and unconventional oil and gas.

If an issuer falls into any of the above mentioned categories after investment, the Investment Manager should sell the security within a reasonable timeframe. However, it may continue to be held, if consent has been obtained from the Management Company.

- The financial product shall have at least 95% of its equity assets (excluding ancillary liquid assets) covered by the ESG analysis.

- The financial product shall invest at least 20% of its assets in 'sustainable investments' as defined in Article 2 (17) of the SFDR regulation.

- The financial product has a 30% lower carbon emissions intensity score overall, relative to the Benchmark, which is the estimated greenhouse gas (Scope 1 and Scope 2) emissions per $1 million of sales revenue across the Sub-Fund's holdings. For the avoidance of doubt, Scope 3 is not currently considered for this calculation.

[1] The Sub-Fund's « Exclusion List » is in accordance with the Climate Transition Benchmark (CTB) as per letter a) to c) of article 12 of Commission Delegated Regulation (EU) 2020/1818.

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The good governance practice of the investee companies is assessed by the Investment Manager, by combining proprietary insights and shareholder engagement, with data from external ESG research providers.

The Investment Manager uses data from external ESG research providers to initially identify issuers which may not have satisfactory governance practices in relation to key performance indicators (KPIs) related to sound management structure, employee relations, remuneration of staff and tax compliance.

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

The good governance practice is assessed by the Management Company, after investment and on an ongoing basis, following the below indicators:

- The company must be listed in a major stock exchange in order to be considered having a good governance, as in order to be listed several policies and procedure regarding governance must be in place; or
- The company should have a minimum Governance Pillar Score of 25 according to Refinitiv or equivalent third-party ESG rating provider.

Proportion of investments

The Sub-Fund invests at least 80% of its net assets in assets that have been determined as "eligible" as per the ESG process in place (hence in investments that are aligned with and promote environmental and social characteristics (#1 Aligned with E/S characteristics), including:

- a minimum of 20% in sustainable investments (#1A sustainable),
- (#1B Other E/S characteristics) includes securities of issuers which are deemed to maintain favourable ESG characteristics but are not sustainable investments

Up to 20% of the investments might not be aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this Sub-Fund can be found in the prospectus of this financial product.

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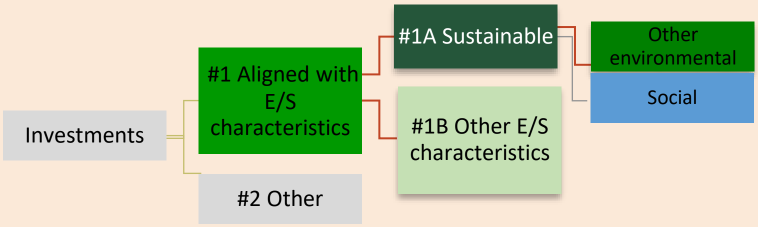

#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The use of derivatives (if any) is currently not used to attain the environmental or social characteristics promoted by the Sub-Fund.

Monitoring of environmental or social characteristics

The promotion of E/S characteristics is carried out by the Sub-Fund on a continuous basis as part of the investment process.

In addition, risk management of the Management Company monitors on a daily basis adherence to the mandatory elements. In this manner, the Sub-Fund uses the environmental and social indicators to assess whether the promoted objective is achieved.

Methodologies

The attainment of the promoted environmental and social characteristics is assessed via the application of a proprietary ESG assessment methodology. The methodology applies a variety of ESG criteria (the "**ESG Filter**") to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- All issuers should in principle have an ESG rating.
- The Sub-Fund will invest in issuers with a ESG rating greater than or equal to 41.67 according to Refinitiv or equivalent third-party ESG rating providers.
- If a rating issuer is downgraded below the above mentioned minimum score, the Investment Manager should sell the relevant securities within a reasonable timeframe. However, they may continue to be held, if consent has been obtained from the Management Company.

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- The Investment Manager can invest up to 5% of the portfolio's equity assets under management in securities where no ESG rating is readily available, but where the Investment Manager has good reason to believe that the securities will receive a good ESG rating within a reasonable period of time by either a third-party ESG rating provider or the Investment Manager in-house research. Once the ESG rating or analysis becomes available, should it not be in line with the limits of the mandate, the course of action will follow the process as described for ESG rating downgrades.
- Average ESG Portfolio Rating should not be below 66 according to Refinitiv or equivalent third-party ESG rating providers.

In addition to the rating, the follows should be taken into account:

a. Equity issuers: the Sub-Fund shall exclude all of the following companies from its eligible universe:

   - Companies involved in activities related to controversial weapons;
   - Companies with important revenues generated from services/products which are oriented toward armaments or warfare;
   - Companies involved in cultivation and production of tobacco;
   - Companies in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
   - Companies that have material involvement in the following business area: coal and unconventional oil and gas.

b. The targeted open-ended UCIs/UCITS: those funds are included solely when all the following conditions are met:

   - They are at least classified as article 8 funds according to Regulation (EU) 2019/2088 ("**SFDR**");
   - They consider principal adverse impacts of its investment decisions on sustainability factors; and
   - Their minimum percentage of sustainable investments is equal or higher than the Sub-Fund.

Finally the Sub-Fund seeks to have a lower greenhouse gas emissions intensity of the portfolio relative to the Benchmark, which is the estimated greenhouse gas (Scope 1 and Scope 2) emissions per $1 million of sales revenue across the Sub-Fund's holdings. For the avoidance of doubt, Scope 3 is not currently considered for this calculation.

Data sources and processing

Investment Manager level

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Data Sources

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

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

Measures taken to ensure Data Quality

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

The Investment Manager assesses ESG providers and data across five core areas outlined below:
1. Data Collection: this includes but is not limited to assessing the data providers underlying data sources, technology used to capture data, process to identify misinformation and any use of machine learning or human data collection approaches.

2. Data Coverage: this assessment includes but is not limited to the extent to which a data package provides coverage across the investible universe of issuers and asset classes. This will include consideration of the treatment of parent companies and their subsidiaries as well as use of estimated data or reported data.
3. Methodology: this assessment includes but is not limited to consideration of the third-party providers methodologies employed, including considering the collection and calculation approaches, alignment to industry or regulatory standards or frameworks, materiality thresholds and their approach to data gaps.
4. Data Verification: this assessment will include but is not limited to the third party providers' approaches to verification of data collected and quality assurance processes including their engagement with issuers.
5. Operations: the Investment Manager assesses a variety of aspects of a data vendors operations, including but not limited to their policies and procedures (including consideration of any conflicts of interest) the size and experience of their data research teams, their training programs, and their use of third-party outsourcers.

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

<u>How data is processed</u>

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

<u>Use of Estimated Data</u>

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

Management Company level

The Management Company, in his role of oversight, uses the following data sources:

- ESG score: Refinitiv, ISS;

- the exclusion process uses: Refinitiv, ISS, public information;

- the valuation of sustainability risk is mainly based on Refinitiv data and ISS Datadesk data. Whenever the issuer's sustainability risk cannot be measured by neither Refinitiv nor ISS Datadesk, the Investment Manager is requested to submit his internal ESG score and analysis which is further analysed by the Management Company and compare with other ESG ratings providers and others public information.

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The quality of the data is ensured by the comparison of different data service providers available at Manco level (Refinitiv and ISS) as well as through the comparison with delegated Investment Manager evidence and public information.

In the case of Refinitiv and ISS, the data processing is automatic. In the case data are processed manually, the Management Committee is reviewing the analysis performed by the risk team to ensure a final cross-review.

In some cases, companies are limited in what information they can disclose and estimates need to be made. For this reason, data providers regularly estimate data points, with continuous improvements being made to the coverage and methodology. The management company itself makes no estimates of sustainability indicators. The need for estimates will decrease continuously, in part due to the expansion of sustainability-related reporting obligations for companies, for example in relation to the criteria for the EU Taxonomy.

Limitation to methodologies and data

Limitations to Methodology

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

The UN Sustainable Development Goals and sub-targets are used by BlackRock as a list of environmental and/or social objectives. Any assessment will be undertaken strictly in accordance with the methodology set out in the Prospectus. Assumptions associated with the conventional use of the SDGs are not considered as part of the assessment including but not limited to applicable geographical limitations and those commitments that may be limited by time or scope, such as goals that may be applicable only to governments.

Limitations to Data

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

Whilst each ESG metric may come with its own individual limitations, data limitations may broadly be considered to include, but not be limited to:
• Lack of availability of certain ESG metrics due to differing reporting and disclosure standards impacting issuers, geographies or sectors
• Nascent statutory corporate reporting standards regarding sustainability leading to differences in the extent to which companies themselves can report against regulatory criteria

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

The Management Company relies on major data providers to proceed to its supervision on sustainability profile of the Sub-Fund. Despite a large dataset of invested issuers worldwide covered, some of them might not be available due to lack on information or disclosure.

On a best effort basis, the Management Company uses public information, notably companies' own sustainability report and leverages on the Investment Manager sustainability's expertise to ensure that E/S characteristics promoted are indeed met by those issuers, despite potential limited disclosure.

Due diligence

BlackRock applies a high standard of due diligence in the selection and ongoing monitoring of investments made by the financial product for the purpose of compliance with the investment, liquidity and risk guidelines of the Sub-Fund, as well as the sustainability risk and ESG criteria and general performance. The Investment Manager is subject to pre and post trade controls within the investment platform where the funds promote environmental or social characteristics, integrate sustainability into the investment process in a binding manner or have a sustainable investment objective.

The Management Company also proceeds to an annual due diligence of the delegated Investment Manager to assess the compliance with the engagement taken in the pre-contractual document, the ESG investment process and the sustainability performance of the sub fund. The following points are assessed on yearly basis:

- ESG scoring methodologies
- ESG integration in Investment Process & RMP
- Exclusion policy
- Sustainable Investment Implementation
- Sustainable Investment alignment
- DNSH analysis

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- PAI consideration in the Investment process
- Annex IV/V of SFDR-level II
- Engagement activity
- Policies on sustainable matters

All these topics are reviewed and are assessed qualitatively, from Bad to Very good; such analysis is presented and approved by the Management Committee and by the Board of Directors of the Management Company.

Engagement policies

Even though the Sub-fund does not use engagement as a means of meeting its binding commitments to environmental or social characteristics or sustainable investment objectives, the Investment Manager seeks to have regular and continuing dialogue with executives or board directors of engaged investee companies to advance sound governance and sustainable business practices targeted at the identified ESG characteristics and principal adverse indicators, as well as to understand the effectiveness of the company's management and oversight of activities designed to address the identified ESG issues. Engagement also allows the portfolio management team to provide feedback on company practices and disclosures. Where a relevant portfolio management team has concerns about a company's approach to the identified ESG characteristics and/or principal adverse indicators, they may choose to explain their expectations to the company's board or management and may signal through voting at general meetings that they have outstanding concerns, generally by voting against the re-election of directors they view as having responsibility for improvements in the identified ESG characteristics or principal adverse indicators.

Separate from the activities of any particular portfolio management team, at the highest level, as part of its fiduciary approach, BlackRock has determined that it is in the best long-term interest of its clients to promote sound corporate governance as an informed, engaged shareholder.

The Management Company encourages investment managers to take part in the active and responsible role as shareholder in the companies the sub-fund(s) invest in with emphasis on sustainability, activity and responsibility.

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