

An aerial photograph of a wastewater treatment plant. The image shows several large, circular clarifiers arranged in a grid-like pattern. Each clarifier has a central red-colored structure and is surrounded by green water. The clarifiers are connected by a network of metal walkways and pipes. The surrounding area includes green grass, some trees, and industrial buildings in the background.

BlackRock

2025 Climate Report

Aligned with the Taskforce on Climate-related Financial Disclosures Framework

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About this Report

BlackRock's 2025 Climate Report ("Climate Report", this "Report") is for BlackRock, Inc. (together, with its subsidiaries, unless the context otherwise indicates, "BlackRock" or the "Company" or the "firm"). This Report is aligned to recommendations provided by the Taskforce on Climate-related Financial Disclosures ("TCFD"),¹ an organization that was established by the Financial Stability Board ("FSB") to develop a framework to help public companies and other organizations disclose climate-related risks and opportunities.

BlackRock completed the acquisitions of Global Infrastructure Partners ("GIP") in October 2024, Preqin in March 2025 and HPS Investment Partners ("HPS") in July 2025 (together "the acquired entities"). The contents of this Report, with the exception of the Metrics and Targets section, include the acquired entities unless otherwise indicated. Further details of the metrics used in this Report are detailed on page 27. All data in this Report is as of December 31, 2025, unless otherwise noted, and dollar figures are shown in USD. The policies and practices referred to in this Report, unless otherwise noted, are adopted by BlackRock on a group-wide basis and applied in relevant jurisdictions in which BlackRock operates.

BlackRock looks forward to feedback from its stakeholders on this Report which can be provided by e-mailing Investor Relations at invrel@blackrock.com.

TCFD recommendations

The TCFD recommendations are designed to encourage consistent and comparable reporting on climate-related risks and opportunities by companies to their stakeholders. The TCFD recommendations are structured around four content pillars: (i) Governance; (ii) Strategy; (iii) Risk Management; and (iv) Metrics and Targets; and 11 recommendations to support effective disclosure under each pillar which is accompanied by supplemental guidance for sectors, including asset managers. Throughout this Report, BlackRock has sought to provide information on all four pillars and 11 recommendations.

In June 2023, the inaugural International Sustainability Standard Board's ("ISSB") sustainability disclosure standards were published. Having fully incorporated the four content pillars and 11 recommendations of the

TCFD² in the ISSB's climate disclosure standard (IFRS S2 climate-related disclosure, "S2"), the FSB disbanded the TCFD in October 2023.³ BlackRock is monitoring the endorsement progress of the ISSB sustainability disclosure standards across the jurisdictions in which the firm operates and considering the impact on BlackRock's future climate-related disclosures. In the meantime, BlackRock has continued to align with the TCFD recommendations for its 2025 Climate Report.

Perspectives included in this Report

BlackRock is a leading publicly traded investment management firm with \$14 trillion of assets under management ("AUM"). With approximately 24,900 employees in more than 30 countries, who serve clients in over 100 countries across the globe, BlackRock provides a broad range of investment management and technology and subscription services to institutional and retail clients worldwide. As an asset manager, BlackRock's diverse platform of alpha-seeking active, private markets, index and cash management investment strategies across asset classes enables the Company to offer choice and tailor investment and asset allocation solutions for clients. BlackRock also offers technology and subscription services, including the investment and risk management technology platforms, Aladdin[®], Aladdin Wealth[™], eFront[®], Preqin and Cachematrix[®], as well as advisory services and solutions to a broad base of institutional and wealth management clients.

BlackRock approaches material climate-related risks⁴ and opportunities from two main perspectives, which are reflected across this Report:

- 1** As an **asset manager** striving to help interested clients benefit from investment opportunities arising from a low-carbon transition,⁵ while fulfilling a fiduciary duty to manage material risks — including climate-related risks — within the bounds of BlackRock's clients' guidelines and objectives; and
- 2** As a **corporate entity** whose business is affected by climate-related risks and opportunities and whose operations have both direct and indirect impacts on climate.

Foreword

BlackRock's mission is to help more people invest better. The money BlackRock manages is not its own — it belongs to BlackRock's clients, many of whom make their own asset allocation and portfolio construction decisions. As a fiduciary, BlackRock invests on clients' behalf to help them meet their investment objectives, including long-term goals like retirement. The firm does this by understanding clients' 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.

BlackRock is focused on providing clients access to new opportunities across asset classes, regions, and themes while driving down costs to investors. BlackRock recognizes that different clients have different investment objectives and preferences. For clients with sustainability objectives, BlackRock offers a wide range of investment products, analytics and research to help them achieve their goals. BlackRock's sustainable and transition investing platform is driven by clients' needs, and informed by the firm's view that a low-carbon transition is one of several mega forces reshaping economies and markets.

BlackRock's approach to the energy transition is to help clients navigate investment risks and opportunities, seeking the best risk-adjusted returns within the mandates given by clients to help them meet their investment objectives. When seeking the best financial returns for clients, the firm relies on a research-based view of economic developments, including how a low-carbon transition is likely to unfold in practice over time and the extent to which such changes are priced into financial markets.

As a provider of technology services, BlackRock builds and delivers energy transition and climate tools, analytics, and portfolio insights powered by Aladdin. BlackRock has developed Aladdin Climate™ to meet the demand from clients to measure climate-related risks and opportunities.

BlackRock is also focused on the sustainability of its corporate operations, including reducing greenhouse gas ("GHG") emissions, increasing operational efficiency, implementing sustainable business practices and funding market solutions to address emissions.

This Report represents BlackRock's commitment to transparent reporting. BlackRock provides sustainability-related reporting on a voluntary basis, and in line with mandatory reporting requirements in various jurisdictions across the globe for relevant in-scope entities. The firm reports emissions that stem from BlackRock's corporate operations and reports estimates of GHG emissions associated with its AUM, and continues to enhance transparency at the firm and fund level.

BlackRock's approach to other sustainability-related topics

BlackRock reports on other sustainability-related topics in its [Sustainability Disclosure](#). BlackRock also makes sustainability-related disclosures in line with regulatory requirements in certain jurisdictions where it operates. As sustainability-related disclosure frameworks, data and risk management methodologies evolve, BlackRock will continue to review its approach to sustainability-related disclosures.

Key points in response to TCFD recommendations

Pillar / recommendation	Key points	Reference
Governance: Disclose the organization's governance around climate-related risks and opportunities.		
Describe the board's oversight of climate-related risks and opportunities.	<ul style="list-style-type: none"> BlackRock's Board of Directors (the "Board") provides oversight of near- and long-term business strategy (including sustainability). Nominating and Governance Committee of the Board oversees investment stewardship, public policy, corporate sustainability and social impact activities. Risk Committee of the Board assists the Board with its oversight of BlackRock's risk assessment and risk management, including with respect to climate and other sustainability risks. 	Page 7
Describe management's role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> Global Executive Committee ("GEC") informs and operationalizes the firm's strategy, including with respect to sustainability. GEC Investment Sub-Committee oversees the firm's investment processes. Functional groups with sustainability-related responsibilities have reporting lines to the GEC (as detailed in Exhibit G.2). 	Page 7
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.		
Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	<ul style="list-style-type: none"> Risks: market, product, reputational, legal and regulatory, and physical. Opportunities: increased demand for sustainable and transition investment strategies and Aladdin, as well as potential operating efficiencies. 	Page 17
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	<ul style="list-style-type: none"> Management of financially material climate-related risks and opportunities is embedded, where applicable, in relevant investment processes, business strategy and operations. 	Page 17
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<ul style="list-style-type: none"> BlackRock performs climate scenario analysis, leveraging Aladdin Climate analytics and data from a third-party vendor, to understand the potential implications of climate-related transition and physical risk under a variety of emission scenarios to BlackRock's business strategy and operations over the short-, medium- and long-term. 	Pages 18-21
Describe how risks and opportunities are factored into relevant products or investment strategies and describe related transition impact.^a	<ul style="list-style-type: none"> Active investment teams incorporate climate-related risks and opportunities into investment processes, where financially material and consistent with the relevant investment guidelines. Please refer to the BlackRock ESG Integration Statement for further information. 	Pages 10-14
Risk management: Disclose how the organization identifies, assesses and manages climate-related risks		
Describe the organization's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> BlackRock employs a three-lines-of-defense approach to managing investment risks, including climate-related risks. For risks in client portfolios, investment teams are the primary risk owners, or first line of defense. BlackRock's risk management function, Risk & Quantitative Analysis ("RQA"), serves as the second line of defense along with BlackRock Legal & Compliance ("L&C"). RQA is responsible for BlackRock's Investment and Enterprise risk management frameworks which includes oversight of sustainability-related enterprise and investment risks. <p>RQA evaluates investment risks, including financially material sustainability risks, as part of its regular investment risk management process and, where applicable, during regular reviews with portfolio managers. This helps to ensure that such risks are understood, deliberate and consistent with client objectives. Climate-related risks are also evaluated in operational processes including, where applicable, in risk and control self-assessments, product development and incident management. Risks associated with climate-related investment and operational processes are represented in risk profiles shared with risk oversight committees. The third line of defense is BlackRock's Internal Audit function, which independently assesses the adequacy and effectiveness of BlackRock's internal control environment to improve risk management, control and governance processes.</p>	Page 26
Describe the organization's processes for managing climate-related risks.		
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.		
Describe how material climate-related risks are identified, assessed and managed for each product or investment strategy.^a		

Pillar / recommendation	Key points	Reference
Risk management: Disclose how the organization identifies, assesses and manages climate-related risks.		
Describe engagement activity with investee companies to encourage better disclosure and practices related to climate-related risks in order to improve data availability and asset managers' ability to assess climate-related risks.^a	<ul style="list-style-type: none"> BlackRock's stewardship policies are developed and implemented separately by two independent, specialist teams, BlackRock Investment Stewardship ("BIS") and BlackRock Active Investment Stewardship ("BAIS"). Where relevant, given companies' business models, sectors and areas of operations, BIS and BAIS engage with companies to understand their approaches to material sustainability-related risks and opportunities. BIS and BAIS find it helpful when companies provide standardized disclosures of sustainability-related data. Engagement under the Climate and Decarbonization Stewardship program, a specific stewardship offering that is separately administered by BIS and BAIS for clients in decarbonization-focused index and active strategies, considers companies' strategies to align with a transition to a low-carbon economy and the goal to limit average global temperature rise to 1.5°C above pre-industrial levels. For more details, refer to BIS Climate and Decarbonization Stewardship Guidelines and BAIS Global Engagement and Voting Guidelines. 	Pages 14-16
Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.		
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> Metrics disclosed in this Report: Corporate GHG emissions and firm-level climate metrics for BlackRock's AUM. 	Page 27
Describe metrics used to assess climate-related risks and opportunities in each product or investment strategy.^a	<ul style="list-style-type: none"> Active investment teams develop views on materiality of specific sustainability-related topics by considering relevant metrics which may include BlackRock's proprietary climate-related research, as well as research from a variety of external sources. BlackRock has developed proprietary measurement tools to deepen portfolio manager understanding of material climate-related risks. 	Pages 12-13
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	<ul style="list-style-type: none"> BlackRock reports Scope 1, Scope 2, and relevant categories of Scope 3 emissions in relation to the firm's corporate operations, where source data is reliable. 	Pages 28-29
Asset managers should describe the extent to which their assets under management and products and investment strategies, where relevant, are aligned with a well below 2°C scenario, using whichever approach or metrics best suit their organizational context or capabilities.^a	<ul style="list-style-type: none"> Clients have different views on climate and the energy transition as drivers of risk and return. BlackRock enables clients to increase their exposure to the low-carbon transition through thematic funds and broad exposures. Some clients may choose to align their portfolios with a net zero pathway or implied global temperature increases. The firm helps them do this through whole portfolio solutions, product choice, and transparency about a fund's alignment to such metrics. 	Pages 29-34
Asset managers should disclose GHG emissions for their AUM and Weighted Average Carbon Intensity for each product or investment strategy, where data and methodologies allow. Asset managers should consider providing other carbon footprinting metrics they believe are useful for decision-making.^a	<ul style="list-style-type: none"> BlackRock reports estimates reflecting the absolute emissions associated with BlackRock's AUM in corporate securities, direct real estate, private credit and infrastructure assets, where the requisite data is available. BlackRock also reports estimates on the unadjusted and adjusted carbon footprint for corporate securities, and emissions intensity metrics associated with BlackRock's AUM in sovereign debt assets. 	Pages 29-34
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> In 2025, BlackRock continued to support clients in navigating the transition to a low-carbon economy by providing them with choice, including investment solutions across alpha-seeking active, private markets, index and cash management. Additionally, BlackRock continued to build and deliver low-carbon transition tools, analytics and modelling capabilities powered by Aladdin. For its corporate operations, BlackRock maintains science-aligned emissions reduction goals, which are currently under review, focused on reducing GHG emissions associated with its facilities, data centers and upstream value chain. 	Pages 10-14 and 21-23

^a Reflects recommendations that are included in the TCFD Supplemental Guidance for Asset Managers, which incorporates updates to the guidance for the financial sector released by the TCFD in 2021 (https://assets.bbhub.io/company/sites/60/2021/07/2021-TCFD-Implementing_Guidance.pdf).

Governance

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

BlackRock's governance with respect to climate and sustainability-related⁶ matters reflects the firm's commitment to strong leadership and oversight of such matters at the senior management and Board levels. At BlackRock, sustainability issues are integrated into and regularly part of Board-level discussions of firm and business line strategy, and responsibility for sustainability oversight is shared across the full Board and its committees [BlackRock's Proxy Statement](#), [Governance Overview](#) and [Corporate Governance Guidelines](#) provide more information on BlackRock's Corporate Governance framework, including the role and responsibilities of the Board.

Board oversight

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 Board has oversight.

The Board holds six regularly scheduled meetings per year during which the Board's committees also meet. In 2025, the full Board or its committees reviewed and discussed aspects of BlackRock's climate and sustainability-related strategy during five out of the six meetings.

The Nominating and Governance Committee of the Board oversees investment stewardship, public policy, corporate sustainability and social impact activities. The Committee periodically reviews corporate sustainability and investment stewardship-related policies and programs. As appropriate, it may make recommendations on these matters to be reviewed by the full Board. The Committee 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.

BlackRock's Board is responsible for overseeing risk management activities. The Risk Committee of the Board assists the Board with its oversight of BlackRock's risk assessment and risk management, including with respect to climate and other sustainability risks.

Management oversight

BlackRock's senior management oversees progress towards the firm's strategic objectives, including climate- and sustainability-related objectives. Exhibit G.1 provides an overview of the management committees that share responsibility for management of various climate and other sustainability-related risks and opportunities.

Exhibit G.1: Sustainability-related management committees

Global Executive Committee Sustainability-related responsibilities

- Chaired by the firm's President and consisting of BlackRock's enterprise leaders across the firm, the GEC informs and operationalizes BlackRock's strategy against objectives.
- Informs and operationalizes the firm's strategy, including with respect to sustainability.

Investment Sub-Committee of the GEC Sustainability-related responsibilities

- Oversees investment process consistency across the firm's investment groups.
- Members include the Chief Risk Officer and the global heads or sponsors of all major investment divisions.
- Oversees environmental, social and/or governance integration in BlackRock's active investment processes, where financially material.

Functional groups

In practice, sustainability, including climate, is integrated into different business units across the firm. Several teams focus on sustainability, while others integrate sustainability into their broader functional responsibilities, as appropriate.

Exhibit G.2: Functional groups involved in sustainability-related (including climate) matters

Team	Sustainability-related responsibilities	Management reporting line
Aladdin	<ul style="list-style-type: none"> Integrates third-party environmental, social and/or governance metrics on the Aladdin platform to support sustainability-related risk management, regulatory disclosures and reporting requirements. Develops proprietary climate analytics (Aladdin Climate) to support management of climate-related risks and portfolio decarbonization analysis. Provides sustainability data for Private Markets. 	Global Head of Aladdin is a GEC member
BlackRock Investment Institute (“BII”)	<ul style="list-style-type: none"> Produces macro and portfolio research, including BlackRock’s Capital Market Assumptions (“CMAs”). The Sustainable Investment Research and Analytics team produce sustainable investment insights, including thought leadership and research on investment implications of a low-carbon transition. 	Head of BII reports to the Deputy Head of BlackRock’s Portfolio Management Group (GEC member)
Corporate Sustainability	<ul style="list-style-type: none"> Leads efforts to drive operational sustainability, establishes and implements sustainable business programs and policies, and engages key stakeholders on operational sustainability-related matters. 	Reporting line into Global Head of Corporate Affairs (GEC member)
Enterprise Services (“ES”)	<ul style="list-style-type: none"> Manages BlackRock’s owned and leased corporate real estate footprint, including the energy efficiency and emissions reduction initiatives where BlackRock has operational control. Works alongside key stakeholders to plan and implement sustainability efforts in offices. Manages disaster recovery planning, strategy and crisis activities. Monitors adherence to local environmental regulations and manages the firm’s Environmental Management System. 	Global Head of ES reporting line to Global Head of Technology & Operations (GEC member)
Global Corporate Sustainability Controllers	<ul style="list-style-type: none"> Develops corporate climate- and sustainability-related disclosures globally, for both voluntary and regulatory reporting obligations. 	Global Controller reports into Chief Financial Officer (GEC member)
Government Affairs & Public Policy (“GAPP”)	<ul style="list-style-type: none"> Engages in financial services public policy dialogue, including matters related to material sustainability-related risks or opportunities, through engagement with policymakers and standard setters globally, and whitepapers, comment letters and consultation responses regularly published on BlackRock’s website. 	Heads of GAPP report to Global Head of Corporate Affairs (GEC member)
Global Product Solutions (“GPS”) / Sustainability and Transition Solutions (“STS”)	<ul style="list-style-type: none"> Drives commercial strategy, shapes 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. 	Chief Product Officer is a GEC member

Team	Sustainability-related responsibilities	Management reporting line
Investment Divisions	<ul style="list-style-type: none"> BlackRock investment divisions include BlackRock Global Markets and Index Investments, Portfolio Management Group, Private Financing Solutions (“PFS”), GIP and Real Estate. Active portfolio teams manage exposure to financially material environmental, social and/or governance risks, and consider environmental, social and/or governance information in their investment processes, as applicable and consistent with client goals. Investment teams often have sustainability-focused teams and offerings. 	Heads of major investment verticals are GEC members
Investment Stewardship	<ul style="list-style-type: none"> BlackRock Investment Stewardship is a dedicated function, which is responsible for stewardship activities, including engagement and voting, in relation to clients’ assets invested in index equity strategies. BIS’ Benchmark Policies take a financial materiality-based approach, focused on advancing clients’ long-term financial interests. For clients that have sustainability objectives, BIS offers the Climate and Decarbonization Stewardship program for in-scope funds with explicit climate and decarbonization objectives and BlackRock Voting Choice. BlackRock Active Investment Stewardship works in partnership with BlackRock’s active investment teams to assess material sustainability-related risks and opportunities within portfolio companies’ business models, in line with investment objectives. BAIS engages with companies to evaluate how these factors are managed and their potential impact on financial performance. The team provides voting recommendations to investors, who vote to advance the investment objectives of clients invested in their funds. BAIS also offers the Climate and Decarbonization Stewardship program for in-scope funds with explicit climate and decarbonization objectives and BlackRock Voting Choice. 	<p>Global Co-heads of BIS report to Co-Head of Global Partners Office (GEC member)</p> <p>Global Head of BAIS reports to the Deputy Head of BlackRock’s Portfolio Management Group (GEC member)</p>
Legal & Compliance	<ul style="list-style-type: none"> Assists in development of sustainability-related disclosures and compliance with applicable sustainability-related regulatory and reporting requirements across the firm. 	General Counsel/Chief Legal Officer is a GEC member
Risk & Quantitative Analysis Group	<ul style="list-style-type: none"> Responsible for BlackRock’s Investment and Enterprise risk management framework, including oversight of sustainability-related investment risks. Evaluates investment risks, including financially material sustainability risks, as part of regular investment risk management processes and, where applicable, during regular reviews with portfolio managers. Maintains a dedicated Sustainability Risk group that partners with risk managers and businesses to oversee sustainability risk across the platform. 	Chief Risk Officer is a GEC member

Strategy

BlackRock was founded with a commitment to understanding and managing investment risk, anticipating client needs, and working collaboratively to help clients achieve their investment goals. This dedication to making investing easier and more affordable is core to the firm's strategy.

As a fiduciary, BlackRock considers relevant and material risks and opportunities that could impact portfolios, when consistent with investment guidelines. In addition, climate risk and the economic opportunities arising from a low-carbon transition are among the top priorities for many of BlackRock's clients. For those interested clients, BlackRock offers a wide range of investment products, analytics and research to help them achieve their chosen investment objectives.

BlackRock recognizes 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. This section discusses how material climate-related risks and opportunities are managed by BlackRock with an emphasis on new developments in 2025.

Investment approach

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

- 1** Understanding the client's investment objectives and then offering choice based on how and where clients wish to invest their money;
- 2** Helping clients seek the best risk-adjusted returns based on their choices; and
- 3** Underpinning its work with research, data and analytics.¹

As an asset manager, it is BlackRock's fiduciary duty to consider material risks where they may impact the financial returns of investments the firm makes on behalf of clients. The risks considered can be intra-market (e.g., security-specific) or extra-market (e.g., geopolitics or central bank policy). How such risks

are considered, and how they are incorporated into the investment processes, depends on the particular investment strategy, guidelines, risk tolerance, and time horizon of the fund or client on whose behalf the assets are managed.

In line with this philosophy, and where relevant and consistent with the fund or account's investment objectives, BlackRock incorporates financially material climate data or information,⁸ alongside other information, into investment processes, with the objective of enhancing the risk-adjusted returns of clients' portfolios. As with other investment risks and opportunities, the relevance of environmental, social and/or governance considerations may vary by issuer, sector, product, mandate and time horizon. Depending on the investment approach, this financially material environmental, social and/or governance data or information may help inform due diligence, portfolio construction, and/or monitoring processes of the portfolios, as well as the firm's approach to risk management.

Private Financing Solutions

In 2025, BlackRock closed its acquisition of HPS. To fully capture the opportunities created by this transaction, BlackRock created PFS, which combines the firms' private credit, General Partner and Limited Partner solutions, and private and liquid collateralized loan obligations ("CLO") into one integrated platform, with over \$380 billion in AUM.

PFS advances BlackRock's ability to create a smoother experience for investors and borrowers, while offering a platform that is well equipped to identify and execute on a broad array of opportunities. PFS seeks to integrate sustainability considerations into its investment risk management processes with the aim of identifying and assessing material risk factors as part of the due diligence process, where possible. PFS considers a variety of factors that can affect the risk and return profile of its investments. This may include climate-related risks and opportunities, which are considered on a case-by-case basis, as part of its overall investment assessment.

Active investment teams may consider a range of sustainability metrics in the research, due diligence, portfolio construction and/or ongoing monitoring phases of the investment process. This information may include metrics such as emissions exposure per unit of output or investment (i.e., revenue, AUM, MWh⁹), Science Based Targets initiative (“SBTi”) alignment or low-carbon transition directed capital expenditure, where applicable. In index portfolios, BlackRock’s responsibility is to track a predetermined benchmark index. Therefore, index tracking investment approaches do not allow for consideration of sustainability metrics aside from those approaches where the underlying indices incorporate sustainability metrics in their explicit product design. Please refer to BlackRock’s firm-level [BlackRock ESG Integration Statement](#) for additional information.

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

Sustainable and transition investment solutions

Many clients are focused on sustainability-related considerations in their investment approach, including many of BlackRock’s largest clients who have made net zero commitments for their organizations.¹⁰ To meet this demand and enable client choice, BlackRock offers a wide range of sustainable and transition investment

\$1.3 trillion
In sustainable and transition investing AUM

strategies. As of December 31, 2025, BlackRock had over 500 sustainable funds globally covering a spectrum of sustainable and transition solutions, as well as customized solutions to meet clients’ objectives, and managed over \$1.3 trillion of sustainable and transition investing AUM¹¹ on behalf of clients.

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

Index investment strategies

Clients’ sustainable and transition preferences continue to evolve, with many turning to index funds to access broad market exposure while applying varying levels of screens, tilts, and selection criteria in benchmark construction. BlackRock offers over 200 sustainable index offerings¹² globally, enabling clients to invest in line with their objectives, and collectively representing over \$412 billion in AUM¹³.

Exhibit S.1: BlackRock sustainable and transition investing platform

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

In response to ongoing regulatory developments and evolving client preferences across regions, BlackRock continues to enhance its sustainable index fund offering. Examples of developments in the firm's sustainable index offering in 2025 include:

- In the European region, BlackRock engaged clients to gather feedback on tracking errors, data inputs and index construction methodologies across several fund ranges. Client views helped inform the index providers updates to index methodologies.
- In the U.S., the name and/or methodology of select U.S. sustainable product offerings were changed in response to the amended SEC Names Rule.

BlackRock engages with index providers and third-party vendors to promote the consistency and transparency of sustainability benchmark methodologies. Additionally, the firm advocates for clear metrics and methodologies to meet evolving regulations.

Active investment strategies¹⁴

BlackRock manages active investment strategies across different investment teams. In 2025, BlackRock continued to refine the active investment strategies available to clients to incorporate a greater range of sustainable and transition investment strategies. Below are some examples of how sustainability, including climate, is considered across BlackRock's active investment strategies.

Fundamental equities ("FE"). FE investors construct high conviction, concentrated portfolios of listed equity names, which they believe have the best alpha potential. Selecting companies is done through fundamental research, company meetings and a mosaic of information on industry, region and performance drivers, with the aim of delivering out-performance.

BlackRock's approach to sustainable investing recognizes that a diverse range of investment strategies are necessary to tackle the significant sustainability goals of the firm's broad client base. FE uses proprietary fundamental insights and leverages third party data, to construct portfolios and solutions to address clients' needs, helping them achieve their sustainable or low-carbon transition goals.

For clients who are seeking to invest in products or solutions aligned with sustainability or a low-carbon transition, the FE platform manages a range of funds with dual objectives of alpha and sustainability/

low-carbon transition outcomes. These funds represent ~ \$70 billion of client AUM, with exposures to specific regions, sectors or themes.

Dual objective funds include equity portfolios investing across the breadth of the market in companies capturing sustainable shifts as well as Thematic and Sector funds investing in specific sustainability and transition themes. Those funds have sustainable investment thresholds aligning company revenues to the United Nations Sustainable Development Goals, and in some cases, explicit climate objectives.

Active fixed income. BlackRock aims to give clients choice in how they invest, which includes providing sustainable fixed income products. Fixed income encompasses many different asset classes, with varying degrees of sustainability information available for each. BlackRock's Global Fixed Income ("GFI") Sustainability team works with sector teams within BlackRock's GFI platform to identify relevant sustainability characteristics and develop tools to aid this process. The GFI platform has developed a proprietary sustainability categorization that focuses on positive and negative externalities across fixed income asset classes. This framework drives several sustainability-focused strategies.

The GFI Sustainability team has also developed investment strategies focused on certain fixed income impact opportunities. This currently includes strategies in U.S. municipal bonds and mortgages, as well as green and social bonds across developed and emerging markets. The GFI Sustainability team has developed a proprietary shading taxonomy for green, social and sustainability bonds, which is utilized by active teams to understand the degree of impact inherent in a bond's stated intended use of proceeds structure. From a data availability, issuer adoption, liquidity and standardization perspective, green bonds are the most mature. The team have also produced quantifiable green bond impact reports since 2018. Detailed and transparent reporting on the results of the funded projects is encouraged to help track whether green bond funds are delivering on their stated goals.

\$62 billion
of investments in green bonds on
behalf of clients

As of December 31, 2025, BlackRock invested \$62 billion, on behalf of clients, in green bonds across a range of portfolios¹⁵ and as a component of broader fixed income mandates. These bonds support a variety of green projects, including renewable energy, energy efficiency and clean transport, among other relevant project categories outlined by the International Capital Markets Association Green Bond Principles.¹⁶

Systematic strategies. The BlackRock Systematic team (“BSYS”) specializes in harnessing vast data sets and technological innovation to uncover potential sources of alpha. Advances in Machine Learning and Artificial Intelligence (“AI”) have further expanded the team’s ability to turn unstructured data into actionable investment insights. BSYS believes that the ability to unlock insights from the huge volume, high velocity and diverse collection of sustainability data sources has advanced the sensibility around a systematic approach to sustainable investing.

Over the past decade, BSYS has produced research on a range of sustainability topics including employee and customer welfare, supply chain, and climate-related insights. As an example of a topic covered in these insights, BSYS found that companies operating buildings with Leadership in Energy and Environmental Design (“LEED”)¹⁷ certifications often demonstrate greater operational efficiency and can subsequently exhibit better financial performance. The LEED buildings themselves have resulted in better environmental outcomes for the communities in which they operate.¹⁸ These types of sustainable alpha signals are a key focus of BSYS sustainable research.

The quantitative and innovation-focused investment process of systematic investing is well suited to incorporating sustainable considerations in portfolio construction, where clients choose to do so. BSYS can integrate sustainable investment considerations in three distinct ways. As a foundation, BSYS can align portfolios to match the preferences of BlackRock’s clients. This can be done through a simple screening process to remove specific securities and/or activities from the investment universe based on client preferences. Next, BSYS can seek to uplift portfolios by targeting securities with enhanced sustainability metrics without materially altering the risk and return characteristics of the portfolio. Finally, BSYS can seek incremental risk-adjusted returns through these proprietary, forward-looking insights on sustainability, using the same scientific testing process developed over decades to uncover potential drivers of future security performance and sustainable outcomes.

Multi-Asset Strategies & Solutions (“MASS”). For clients with sustainability goals, objectives or obligations, MASS leverages proprietary research, scenario analysis, and leading third-party data to assess sustainability risks, including climate-related risks, in addition to structural growth themes across asset classes. Insights into evolving climate and low-carbon transition dynamics help shape strategic asset allocation and portfolio construction, supporting clients in meeting their financial objectives while - where relevant - advancing their sustainability priorities.

MASS’ commitment is to offer interested clients sustainability considerations, including climate, in a manner that seeks to mitigate risk, enhance performance, and help clients achieve their long-term sustainability and investment goals.

Cash management

To give clients choice in how to invest their cash, BlackRock, in its role as an asset manager, offers a range of cash investment solutions that include strategies with a focus on sustainability considerations. The BlackRock Liquid Environmentally Aware funds (the “LEAF funds”), which seek to offer the stability, liquidity and yield potential of a money market fund while considering environmental criteria, are a suite of funds that were launched in 2019. With investors continuing to maintain and allocate to cash strategies amidst continued market uncertainty in 2025, alongside money market yields, global assets in the LEAF funds increased to over \$35 billion.

In addition to the LEAF funds, BlackRock manages a suite of Irish domiciled Low Volatility NAV and standard money market funds across EUR, GBP and USD currencies, that are also categorized as Article 8 under the European Union’s Sustainable Finance Disclosures Regulation (“SFDR”), with total assets in this category of funds increasing to over \$287 billion in 2025. Additionally, annually, BlackRock’s Cash Management group purchases and retires Certified Emission Reduction (“CER”) units via the World Bank, as trustee for the Adaptation Fund, an international fund that finances projects and programs aimed at helping developing countries adapt to the adverse effects of climate change.¹⁹

Private markets

BlackRock’s private markets encompass both equity and debt capabilities, including direct private equity (venture and growth equity strategies), infrastructure,

real estate, secondaries, corporate credit (direct lending, opportunistic and venture and growth strategies), and multi-debt solutions.

Global Infrastructure Partners. BlackRock's infrastructure investment teams have been at the forefront of investing in the energy transition for over a decade. With infrastructure investments in wind, solar, battery energy storage systems, natural gas, low-carbon fuels, carbon capture, transmission and grid infrastructure, amongst others. BlackRock has built capabilities that enable its clients to access the multi-trillion-dollar investment opportunity²⁰ in private markets through diversified infrastructure and energy transition-focused strategies, as well as infrastructure debt and solutions.

In 2024, BlackRock closed its acquisition of GIP. The combination of GIP with BlackRock's existing private markets infrastructure platform created an industry leader²¹ in infrastructure across equity, debt and solutions – providing a diverse range of infrastructure sector expertise and exposure across developed and emerging markets. The acquisition of GIP has created a \$180 billion infrastructure platform²² providing added capabilities to the firm's existing infrastructure offerings.

The energy transition is one of the considerations influencing GIP's investment approach, with substantial investments and value creation opportunities, as well as challenges to be managed. GIP aims to bring its infrastructure expertise and relationships in energy, transport, digital infrastructure and water and waste management sectors, and leadership in renewables, to capitalize and manage these. GIP's priority is to be a responsible custodian of capital for its investors, including considering climate-related risks and opportunities for investments, as appropriate, as part of its detailed due diligence and hands-on asset management.

Technology Services

BlackRock offers technology services to meet the growing demand for end-to-end technology and data solutions across public and private markets with Aladdin®, eFront® and Preqin.

Aladdin is BlackRock's technology platform that unifies the investment management process through a common data language. In 2025, BlackRock closed the acquisition of Preqin, a leading private markets data solutions provider.

BlackRock has developed Aladdin Climate™ to meet the demand from clients to measure climate risks and opportunities, delivering sophisticated climate-related tools, analytics, and portfolio insights powered by Aladdin. Aladdin Climate quantifies the projected impact of climate-related risks and opportunities across a variety of forward-looking, industry standard, scenarios. Aladdin Climate also provides forward-looking decarbonization and temperature alignment metrics to help investors analyze portfolio decarbonization pathways across multiple climate scenarios. As a result of the Preqin acquisition, Aladdin Climate physical risk analytics are now also available in Preqin Pro for real estate assets, enabling real estate investors to include climate risk analysis in their pre-investment due diligence processes.

Artificial Intelligence

AI is widely viewed as an important technological development with the potential to influence how economies operate and how businesses serve their stakeholders. BlackRock is exploring ways AI can support productivity, enhance client experiences, and provide new analytical capabilities, while continuing to apply the firm's established risk-managed approach.

As AI adoption expands across industries, the supporting infrastructure – such as data centers and high-performance computing – may contribute to higher near-term electricity demand across the broader economy. BlackRock does not operate its own data centers for large language models and instead relies on third-party providers, which may allow the firm to benefit from the efficiency improvements and sustainability commitments these providers pursue over time.

Investment stewardship²³

Stewardship at BlackRock

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

BlackRock's stewardship policies are developed and implemented separately by two independent, specialist teams, BIS and BAIS. While the two teams operate independently, their general approach is grounded in widely recognized norms of corporate governance and

shareholder rights and responsibilities. BIS is a dedicated function within BlackRock, which is responsible for stewardship activities in relation to clients' assets invested in index equity strategies. BAIS partners with BlackRock's active investment teams in relation to their holdings. Index or active, BlackRock's stewardship teams, and all stewardship efforts across the firm, are focused on making decisions consistent with clients' stated objectives.

BlackRock's stewardship program has four key pillars:

- 1. Engaging with the boards and management of companies** in which clients are invested to deepen the teams' understanding of a company's business model, including how companies are overseeing material business risks and opportunities over time, and to help inform each team's voting on behalf of clients.²⁴
- 2. Voting at shareholder meetings** on management and shareholder proposals for clients who have authorized BlackRock to vote on their behalf.
- 3. Contributing to industry dialogue on stewardship** to share BlackRock's perspectives on matters that may impact clients' investments.
- 4. Reporting on BlackRock's activities to inform clients** about the firm's stewardship efforts on their behalf through a range of publications on the BlackRock website and direct client communications.

BlackRock Investment Stewardship

BIS' approach to stewardship is outlined in its Benchmark Policies, which are comprised of the [BlackRock Investment Stewardship – Global Principles](#), [regional voting guidelines](#), and [Engagement Priorities](#). The Benchmark Policies take a financial materiality-based approach and are focused solely on advancing clients' long-term financial interests.

Consistent with prior years, during the 2024–2025 proxy year, BIS engaged with companies on five priorities that, in the team's experience, support long-term financial performance: Board quality and effectiveness; strategy, purpose and financial resilience; incentives aligned with financial value creation; climate and natural capital; and company impacts on people.

In the 2024–2025 proxy year, BIS held 2,584 engagements with 1,950 companies globally.²⁵ BIS held 865 engagements with 763 companies on climate and natural capital.²⁶

Many companies are assessing how to navigate a low-carbon transition while delivering long-term financial value to investors. As noted in BIS' Benchmark Policies, for companies facing material climate-related risks, BIS finds it helpful when they publicly disclose, consistent with their business model and sector, how they intend to deliver long-term financial performance through a low-carbon transition, including, where available, their transition plan.²⁷ From company disclosures and engagement, BIS seeks to understand the strategies companies have in place to manage material risks to, and opportunities for, their long-term business model associated with a range of climate-related scenarios.

BlackRock Active Investment Stewardship

BAIS' approach to stewardship is outlined in the [BAIS Global Engagement and Voting Guidelines](#) and [BAIS Engagement Priorities](#), which provide high-level guidance on how the active stewardship team views corporate governance matters that are commonly put to a shareholder vote, or on which investors engage with issuers. The guidance sets out the benchmark policy, which applies to nearly all active equity holdings, as well as to engagements BAIS may have with fixed income issuers, as relevant.

In 2025, BAIS held 469 engagements with 343 companies globally. BAIS held 145 engagements with 120 companies on climate and natural capital.

In partnership with active portfolio managers, BAIS seeks to understand how companies manage the risks and opportunities inherent in their business operations. They recognize that the specific sustainability-related factors that may be financially material or business relevant will vary by company business model, sector, key markets, and time horizon, amongst other considerations. From company disclosures and engagement, BAIS aims to understand how management is identifying, assessing and integrating material sustainability-related risks and opportunities into their business decision-making and practices. Doing so contributes to a more holistic assessment of a company's potential financial performance and the likely risk-adjusted returns of an investment.

Expanding Stewardship Choice

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

- **BlackRock Voting Choice**

Launched in January 2022, BlackRock Voting Choice — sometimes known as pass-through voting — provides eligible clients with opportunities to participate in the proxy voting process, where legally and operationally viable.²⁸ Since launch, BlackRock has expanded Voting Choice by increasing the pool of eligible client assets and broadening the range of available voting policies. In 2025, the firm expanded Voting Choice to eligible institutional clients in select Swiss-domiciled funds, adding to existing availability in certain institutional funds in the U.S., Canada, Ireland and the U.K.

For eligible U.S. retail shareholders, BlackRock launched a pilot program in February 2024 to make Voting Choice available for the firm’s largest Exchange Traded Fund for the first time. In early 2025, the program was formalized and the number of proxy voting policy options available to eligible shareholders increased from seven to eight.

More than \$3.7 trillion of BlackRock’s \$7.7 trillion in total index equity AUM are eligible to participate in BlackRock Voting Choice, where legally and operationally viable, with clients representing approximately \$885 billion in index equity AUM exercising this option.²⁹

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

In July 2024, BlackRock launched the Climate and Decarbonization Stewardship program (“Program”). The Program applies only to funds that have climate and decarbonization objectives and that have been explicitly approved for inclusion in the program by the respective governing body. Separately managed accounts clients may also instruct BlackRock to apply the program to their holdings. BIS and BAIS separately administer the program for their respective in-scope strategies. Total funds and separately managed accounts that have chosen to apply the Program represent \$194 billion of client AUM, or approximately 2% of clients’ total public equity AUM.

Risks, opportunities and scenario analysis

BlackRock recognizes the importance of effective identification, monitoring, and management of climate-related risks and opportunities across its global business and corporate operations.

BlackRock’s exposure to climate-related risk is primarily indirect, with such risks having the potential to affect future revenues and expenses, as opposed to assets and liabilities. The assets that BlackRock manage belong to BlackRock’s clients, not BlackRock. BlackRock typically earns investment management fees as a percentage of AUM. BlackRock also earns performance fees on certain portfolios relative to an agreed-upon benchmark or return hurdle. For some products, BlackRock also earns securities lending revenue.

BlackRock also offers technology services, including the Aladdin investment and risk management platform, as well as advisory services and solutions to a broad base of institutional and wealth management clients. Revenue for these services may be based on several criteria including value of positions, number of users or accomplishment of specific deliverables.

Although BlackRock’s global offices could be impacted by adverse physical climate events, the direct financial impact to BlackRock is limited.

Exhibits S.2a and S.2b provide an overview of climate-related risks and opportunities that BlackRock has identified.

Exhibit S.2a: Summary of key climate-related risks^a

Risk	Description	Primary anticipated financial impact ^b
Market	Market-related risks are among the key risks to BlackRock's business. Fluctuations in asset values due to climate-related risks could affect client investment strategies or allocations in a manner that could impact BlackRock's business.	Reduced revenues
Product	Changes in client preferences and/or changes to regulation relating to climate considerations may impact product demand and in turn may impact BlackRock's revenue and earnings.	Increased expenses and/or reduced revenues
Reputation	BlackRock is subject to preferences from different stakeholder groups with various views on climate-related matters, which may present real or perceived reputational risks that could impact BlackRock's business.	Reduced revenues
Legal and Regulatory	New, extensive and/or divergent sustainability-related disclosure requirements, regulations, guidance or taxes that apply to BlackRock's products or other aspects of BlackRock's operations could increase compliance costs or require BlackRock to alter business or operating activities. New laws, regulations or guidance, as well as sustainability-related scrutiny, litigation or regulatory actions could affect BlackRock or its clients' investment strategies or allocations in a manner that could impact BlackRock's business.	Increased expenses and/or reduced revenues
Physical	BlackRock's global offices could be impacted by adverse climate events, however, the direct financial impact is considered limited, as BlackRock leases most of its facilities ³⁰ and evaluates such sites for physical risks during the selection process. Further, BlackRock maintains insurance, which helps to mitigate the potential financial impact of physical climate-related risks. Additionally, BlackRock maintains business continuity plans to facilitate the continuity of business in the event of a business disruption, which can include disruptions related to physical climate-related risks.	Increased expenses

^a The inclusion of climate-related risks in Exhibit S.2a should not be construed as a characterization regarding materiality or financial impact of these risks.

For a discussion of risks that BlackRock has determined could be financially material, please see Item 1A. Risk Factors in BlackRock's Annual Report on Form 10-K, as well as the firm's subsequent Form 10-Q filings.

^b There is no guarantee that the primary anticipated financial impact referenced above will be realized.

Exhibit S.2b: Summary of key climate-related opportunities

Opportunity	Description	Primary anticipated financial impact ^a
Products and services Investment solutions	BlackRock offers one of the industry's widest sustainable and transition investment platforms to deliver for a wide range of client preferences and objectives within this space. The firm believes the platform is well-positioned to meet current and future demand for this theme, as evidenced by the platform's growth to \$1.3 trillion ¹¹ across over 500 strategies.	Increased revenues
Products and services Aladdin	There is increasing demand from Aladdin clients to understand exposure to climate-related risks and opportunities within their portfolios. Aladdin Climate builds on BlackRock's risk management capabilities to quantify these impacts in financial terms and has been extended to support climate risk analysis for private market investments, including real assets.	Increased revenues
Resource efficiency Operations	As a corporate entity, BlackRock pursues a strategy that is focused on reducing GHG emissions and increasing the efficiency of the firm's operations, where possible. Finding innovative solutions to increase energy efficiency at BlackRock's facilities and data centers, and leveraging low-carbon energy sources such as renewable electricity, reduces the firm's corporate GHG emissions footprint.	Reduced expenses

^a There is no guarantee that the primary anticipated financial impact referenced above will be achieved.

Climate scenario analysis

BlackRock leverages climate scenario analysis in various contexts, including for clients who choose to use Aladdin Climate for their portfolios, and to illustrate how a low-carbon transition may unfold across technologies, sectors and regions using the BlackRock Investment Institute's Transition Scenario ("BIITS"). BIITS can help portfolio managers identify risks and opportunities associated with the transition to a lower carbon economy and provide greater clarity to investors when making investment decisions.

Climate scenario analysis also allows an organization to develop insight into how the physical and transition risks and opportunities arising from climate change might impact its business and corporate operations over time. While climate scenario analysis is not intended to predict the future, it enables organizations, like BlackRock, to explore possible outcomes, the assumptions underpinning these, and the actions and/or events that could lead to these outcomes. In this instance, the firm has performed a climate scenario analysis to stress-test the resilience of BlackRock's business model and corporate operations against a range of climate risk scenarios over time horizons.

The risks of climate change can be considered in two categories:

Transition risk. Climate-related transition risks arise as the economy moves toward a low-carbon economy through policy, regulation, technology and market changes. Depending on the nature, speed and focus of these changes, the global climate transition is expected to create meaningful shifts within sectors and across the entire economy.

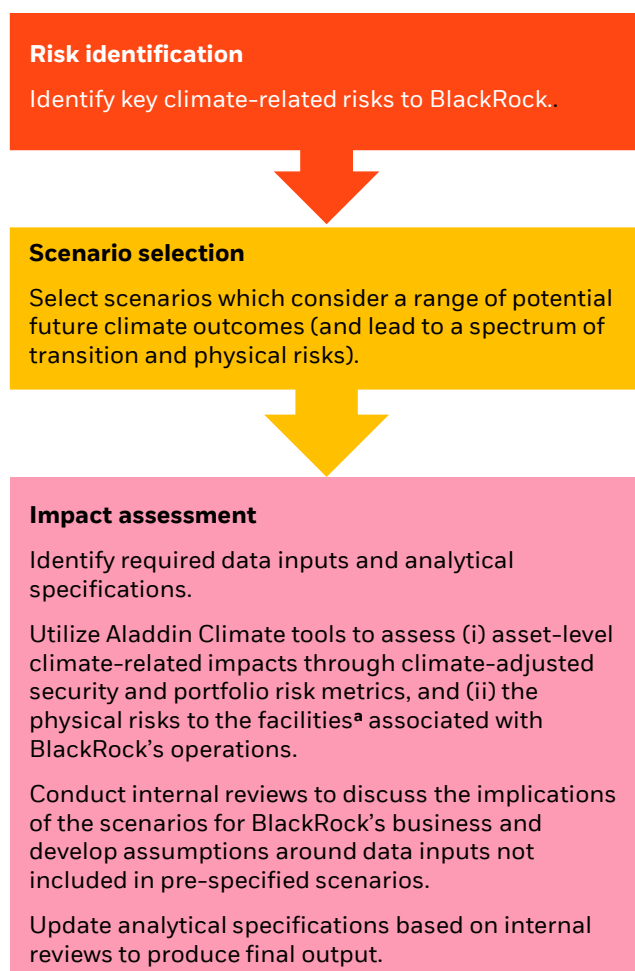
Physical risk. Physical climate-related risks may consist of acute impacts such as extreme weather and climate events, or chronic impacts representing longer-term shifts in the climate such as temperature increases and sea level rises. Such risks may impact operations, leading to impairment of infrastructure and facilities, as well as disruption of supply chains.³¹

2025 scenario analysis

In 2025, BlackRock continued to leverage Aladdin Climate analytics to conduct its analysis on the valuation of its AUM and associated management fees, and an assessment of the potential climate-related impacts on BlackRock's corporate operations. The firm utilized scenarios from the Network for Greening the Financial System ("NGFS")³² and the Intergovernmental Panel on Climate Change ("IPCC").³³ The NGFS scenarios readily provide analytics to assess both physical and transition risks, while the IPCC scenarios are largely focused on assessing physical risks.

BlackRock's 2025 climate scenario analysis involved the key steps outlined below.

Exhibit S.3: Steps of BlackRock's climate scenario analysis



^a Inclusive of facilities associated with BlackRock, Preqin, HPS and GIP's operations. Note: Exhibit S.3 is intended for illustrative purposes only.

Scenario selection

A key unknown within the context of the global climate transition is the degree of orderliness and the timing under which this transition will unfold. Exhibit S.4³⁴ and Exhibit S.5³⁵ illustrate a range of both NGFS and IPCC scenarios and highlight that the scenarios reflect a variety of outcomes³⁶ and provide a range of plausible climate transition pathways.

BlackRock leveraged three NGFS scenarios, Orderly – Net Zero 2050, Disorderly – Delayed Transition, and Hot house world – Current Policies, and the IPCC’s highest physical risk scenario, SSP5-8.5. BlackRock selected these scenarios to observe a range of potential outcomes in its analysis.

Exhibit S.4: NGFS scenarios characterized by physical and transition risks^a

Category	Scenario	Physical risk	Transition risk			
		End of century (peak) warming (model averages)	Policy Reaction	Technology Change	Carbon dioxide removal (“CDR”) ^b	Regional policy variation ^c
Orderly	Low Demand	1.1°C (1.6°C)	Immediate	Fast change	Medium use	Medium variation
	Net Zero 2050 ^d	1.4°C (1.7°C)	Immediate	Fast change	Medium-high use	Medium variation
	Below 2°C	1.8°C (1.8°C)	Immediate and smooth	Moderate change	Medium use	Low variation
Disorderly	Delayed Transition	1.7°C (1.8°C)	Delayed	Slow / Fast change	Medium use	High variation
Hot House World	National Determined Contributions (“NDCs”)	2.3°C (2.3°C)	NDCs	Slow change	Low use	Medium variation
	Current Policies	3.0°C (3.0°C)	None – current policies	Slow change	Low use	Low variation
Too-little-too-late	Fragmented World	2.4°C (2.4°C)	Delayed and fragmented	Slow/Fragmented change	Low-medium use	High variation

The color coding in the chart indicates whether the characteristic makes the scenario more or less severe from a macro financial risk perspective:^e ■ Lower risk ■ Moderate risk ■ Higher risk

^a Adapted from NGFS long-term scenarios for central banks and supervisors. Original figures from “NGFS long-term scenarios for central banks and supervisors” (see below).

^b According to the NGFS, “The impact of CDR on transition risk is twofold: on the one hand, low levels of CDR imply an increase in transition costs, as reductions in gross emissions should be obtained in a different way; on the other hand, high reliance on CDR is also a risk if the technology does not become more widely available in the coming years.

^c According to the NGFS, “Risks will be higher in the countries and regions that have stronger policy. For example, in Net Zero 2050, various countries and regions reach net zero GHG by 2050, while many others have emission of several Gt of CO₂eq.”

^d Grey shading indicates the scenarios BlackRock leveraged in its analysis.

^e According to the NGFS, “This assessment is based on expert judgment based on how changing this assumption affects key drivers of physical and transition risk. For example, higher temperatures are correlated with higher impacts on physical assets and the economy. On the transition side economic and financial impacts increase with a) strong, sudden and/or divergent policy, b) fast technological change even if shadow carbon price changes are modest, c) limited availability of carbon dioxide removal meaning the transition must be more abrupt in other parts of the economy, and d) stronger policy in those countries and/or regions.”

Please see additional information in the “NGFS long-term scenarios for central banks and supervisors” report, available at: <https://www.ngfs.net/system/files/2025-02/NGFS%20Climate%20Scenarios%20for%20central%20banks%20and%20supervisors%20-%20Phase%20V%20%287%29.pdf>

Exhibit S.5 Scenarios from the IPCC Sixth Assessment Report^a

Scenario	Global mean surface temperature rise by end-of-century	
	Best estimate	“Very likely” range
SSP1-1.9	1.4°C	1.0°C to 1.8°C
SSP1-2.6	1.8°C	1.3°C to 2.4°C
SSP2-4.5	2.7°C	2.1°C to 3.5°C
SSP3-7.0	3.6°C	2.8°C to 4.6°C
SSP5-8.5 ^{b,c}	4.4°C	3.3°C to 5.7°C

^a Adapted from IPCC’s Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Additional information is available at:

https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_SPM.pdf

^b SSP stands for “Shared Socioeconomic Pathways,” which describe the narratives of a range of plausible futures that underpin the global climate model simulations included in the IPCC Sixth Assessment Report. The “very likely” range is provided by the IPCC as outcomes with an associated probability of 90-100% for a given scenario. These scenarios cover a range of possible futures but there is no assessment of the likelihood of individual scenarios. Reference period for the temperature rise estimates is the period between 1850-1900.

^c Grey shading indicates the scenario BlackRock leveraged in its analysis.

Impact assessment on BlackRock's AUM

BlackRock developed analytical specifications to consider the potential impact to BlackRock's AUM and operating margin across the chosen scenarios. As BlackRock derives revenues from management fees earned on AUM, key elements of the specifications included:

- BlackRock's AUM broken down by asset class and investment style;
- Management fees, establishing the management fee level for each analyzed asset class and investment style;
- Aladdin Climate analytics to assess asset class level climate-related impacts to BlackRock's AUM through climate-adjusted security and portfolio risk metrics;
- Market return assumptions based on BlackRock's CMAs; and
- Assumptions around client behavior and market returns in response to the respective scenarios derived from internal reviews with subject-matter experts across the firm.

Impact assessment on BlackRock's operations

BlackRock produced an impact assessment of physical risks on the firm's operations by carrying out the following steps:

- Compiled a list of all facilities associated with BlackRock operations;
- Identified a set of climate-driven hazard metrics of interest (e.g., 1-in-100-year flood event, 1-in-100-year wildfire event, probability of an asset being located below mean sea-level) under the same set of climate scenarios included in the AUM impact assessment;
- Incorporated Aladdin Climate data to calculate the values of these climate-driven hazard metrics at each facility location through 2050, and flagged facilities with high exposure (e.g., present within the 1-in-100-year flood zone);
- Compared Aladdin Climate analysis with third party data used by BlackRock's Enterprise Resilience and Safety team to assess the risk of climate-related incidents; and
- Reviewed results in detail with the Aladdin Climate and Enterprise Resilience and Safety teams as well as other internal stakeholders to assess potential impacts of climate-related risks to the firm's operations.

Conclusions

Scenario analysis is a dynamic exercise and an iterative process that is meant to help envision potential future outcomes, rather than predict the future. The climate scenario analysis exercise conducted by BlackRock provides a structured way to evaluate climate-related risks and opportunities and it opens a wider discussion as to how transition and physical risks could affect BlackRock's AUM and operations.

BlackRock's AUM

The results of the 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 the firm's resilience across different scenarios as it adapts to the impacts of both transition and physical climate-related risks. The firm's resilience and flexibility are further bolstered through its acquisitions of GIP and HPS, which expand clients' access to a diverse range of sector specific expertise, market exposure and capabilities. Additionally, BlackRock's clients are supported by Aladdin Climate's capabilities which provide them with the ability to assess the physical and transition risks associated with their investments.

While BlackRock's AUM and associated revenues and profit margin have the potential to be impacted by climate change, each scenario reviewed presented different plausible challenges, risks, and opportunities that may occur through 2050.

Over the long-term through 2050, if significant acceleration in a low-carbon transition occurs, the potential magnitude of physical climate-related risks may be reduced. However, in the short- and medium-term, delayed transition scenarios create risks that would need to be managed, including through continued efforts to adapt BlackRock's business to account for the transition to a low-carbon economy.

BlackRock's Operations

In assessing the physical climate impacts to BlackRock's owned and leased real estate, the impact was found to be limited across the firm's global footprint. BlackRock leases most of its facilities and the Enterprise Resilience and Safety team have developed global emergency action and business continuity plans that account for possible physical climate-related risks. These plans are reviewed on an annual basis and updated as needed. BlackRock also maintains insurance which helps to mitigate the potential

financial impact of physical climate-related risk to its real estate footprint.

An example of these plans in action is the firm's wildfire and air quality practices which were implemented in several locations on the West Coast of the U.S. and throughout India in 2025. This included shutting the fresh air dampers, adding charcoal filters, and increasing filter replacements, in addition to 24/7 monitoring through BlackRock's Security Command Center and sampling indoor air with portable air sampling devices. The firm communicated with employees throughout these incidents to address concerns and highlight support available to them and their families.

Additionally, Enterprise Services sets baseline requirements to support the resilience of BlackRock's offices and enhance decision making during the site selection process. BlackRock primarily operates in leased, multi-tenant spaces and the Enterprise Resilience and Safety team reviews third-party resilience data on a quarterly basis and escalates potential concerns to risk oversight partners.

As part of BlackRock's recent acquisition integrations, emergency action plans have been evaluated and applied to new locations, including the creation of site-specific plans, maps, and procurement of emergency resources, such as defibrillators and evacuation chairs, to support emergency response.

BlackRock's existing business continuity strategies go beyond direct impacts to offices and data centers and address impacts of damage to critical infrastructure that may cause business interruption. BlackRock can exercise work transfer and remote work scenarios to address issues such as the inability to commute to the office or power disruption. Overall, the Enterprise Resilience and Safety team has the necessary monitoring and tools to facilitate early-warning procedures and actions that can be operationalized for any BlackRock facility worldwide.

Limitations

As with any scenario analysis, there are limiting factors worth highlighting.

First, assessing and quantifying the impact of climate change is inherently complex — in how climate change will impact asset values and facility locations, how companies will react to regulatory and market pressures, as well as how BlackRock's clients will react and adapt to those impacts.

With that, there are uncertainties that arise from the climate scenarios formulated by NGFS itself, as these scenarios also partly rely on assumptions on policy, technology, and society. Furthermore, the NGFS has self-identified several gaps in its approach relating to scope, coherence, and uncertainty, which can further limit BlackRock's climate scenario analysis.³⁷ One instance of this is the new damage function included in NGFS' Phase V scenarios, for which NGFS acknowledges the need for users to assess the changes and understand if they are appropriate to implement for their business.³⁸ BlackRock has elected to not immediately implement this and is conducting its own assessment of the new damage functions and others. BlackRock will continue to evaluate the evolution of this research and may look to integrate updates as necessary in the future. BlackRock currently provides physical risk analytics using the firm's proprietary physical risk modeling.

Similarly, there are also uncertainties associated with the scenario development carried out for the IPCC Sixth Assessment Report, including on the assumptions on policy, technology, and society included in the narratives of each scenario.³⁹

As such, BlackRock reiterates that this discussion is intended to highlight the tools and analytical specifications the firm has established to refine its understanding of potential climate-related risks and opportunities; it is not meant to predict future outcomes.

Operations

In operating its own business, BlackRock pursues a sustainability strategy that is focused on reducing GHG emissions associated with its facilities, data centers, and upstream value chain, and addressing emissions it cannot yet reduce through market solutions such as renewable energy, Sustainable Aviation Fuel ("SAF"), and carbon credits.

In 2025, BlackRock continued to drive progress in its operational sustainability strategy by employing energy efficiency strategies, achieving its 100% renewable electricity match goal,⁴⁰ and expanding its SAF, carbon credit, and Supplier Sustainability programs.

BlackRock set science-aligned emissions reduction goals in 2020 to underpin its operational sustainability strategy. Since then, both the macroeconomic and business environment have evolved creating uncertainty regarding the pace of a low-carbon

transition. While there has been operational progress, challenges remain in decarbonizing, and the firm’s approach will continue to be evaluated.

BlackRock also underwent significant inorganic growth in 2024 and 2025, prompting the firm to continue to internally review its GHG emissions reporting and corporate sustainability goals. This review ensures the firm’s strategy, including reporting and goals, aligns with the latest best practices and standards while remaining feasible. BlackRock’s strategy is subject to change based on the needs of the firm’s stakeholders, including clients and shareholders, as well as the size and shape of the firm’s business. Furthermore, these goals and BlackRock’s ability to make progress, and the pace at which progress is made, are influenced by technological advancements, public policies, legal and regulatory obligations and market conditions. The goals are set with the intention to drive the long-term success of BlackRock and its clients. As such, BlackRock’s GHG emissions reporting and goals are currently under internal review to reflect the continued growth its business has experienced and the pace of a low-carbon transition. This review will be addressed in future reporting.

Below are details of the efforts and initiatives that BlackRock is pursuing to embed sustainable business practices, which reduce operational emissions and address its remaining emissions over time in line with its strategy.

Energy Efficiency

Some of the largest sources of BlackRock’s operational emissions come from its energy consumption at facilities (e.g., electricity and heating). As BlackRock is primarily a tenant in multi-tenant buildings globally, energy efficiency initiatives are undertaken at an individual office level, where possible. In 2025, BlackRock continued to engage landlords and advocate for sustainable choices, such as procuring renewable energy and obtaining or updating sustainability building certifications.

BlackRock also implemented several energy conservation measures, some of which were recommended in energy audits conducted in 2024 at various large office locations in North America. The measures implemented from these audits include: installation of heat pumps to improve efficiency of on-site generators; upgrades to computer room air conditioning units; and energy saving lighting. There were also various sustainability projects completed, including an energy efficient lighting upgrade at the

Singapore office. In South America, BlackRock also implemented a heating, ventilation and air-conditioning upgrade at an office in Santiago, Chile.

Clean Energy

Along with energy efficiency in operations, BlackRock also continues to procure energy from clean sources, where possible.⁴¹ Where direct renewable energy contracts are not available due to limited operational control as a tenant, BlackRock purchases energy attribute certificates (“EAC”) and green tariffs. Using this multi-faceted approach, BlackRock has achieved its 100% renewable energy match goal since 2020. BlackRock continues to evaluate procurement opportunities that support the growth of the renewable energy market, including through its Supplier Clean Energy Initiative (see Supplier engagement and enablement section).

Offices and Facilities

In 2025, BlackRock continued implementing and improving operational sustainability practices at many global offices. This included the completion of a 140,000 square foot office in Edinburgh, U.K. Building on BlackRock’s work in establishing sustainable design standards, this office has undergone a sustainability scorecard performance review. Working with an external consultant, BlackRock developed 75 Key Performance Indicators to ensure this site aligns with industry best practices and BlackRock’s sustainable design standards.

Edinburgh office

BlackRock’s new office on Brandon Street, Edinburgh opened in May 2025 and showcases the firm’s sustainable facilities priorities which are: to employ energy efficient and waste reduction strategies, reduce BlackRock’s environmental footprint, and create a healthy indoor environment for employees. Examples of energy conservation and waste reduction measures include:

- Installation of electric vehicle charging;
- Removal of gas as an energy source;
- Emphasis on recycling and reusable consumables;
- Lighting control zoning to reduce energy consumption;
- Collaboration-space technology to enhance connectivity; and
- Flexible space design enabling reconfiguration without construction waste.

BlackRock made additional progress in 2025 towards its operational sustainability strategy by embedding sustainable practices throughout global offices. Actions taken include encouraging use of reusable utensils and dishware instead of single use plastics at certain local offices, conducting waste audits, and implementing sustainable design standards.

Business travel

BlackRock recognizes the environmental footprint of travel but also acknowledges that travel is a critical component of conducting business with its clients and employees. BlackRock continues to explore ways to address travel emissions through operational changes and through mechanisms such as SAF Certificates (“SAFc”) ⁴² which represent certified emissions reductions from cleanly-fueled air travel. ⁴³ In 2025, BlackRock expanded its procurement and engagement in the SAF market further by pursuing new SAF initiatives with airlines and operators that address the firm’s commercial aviation emissions associated with employee business travel. BlackRock also continued to participate in the Sustainable Aviation Buyers Alliance ⁴⁴ (“SABA”), helping to accelerate participation in and adoption of SAF.

Supplier engagement and enablement

In 2025, BlackRock made progress in and expanded the offerings of its Supplier Sustainability Program. BlackRock has engaged with suppliers representing approximately 63% of the firm’s emissions ⁴⁵ to better understand and enable their sustainability efforts including their GHG emissions measurement, goals, and reduction strategies, if any, and improve the accuracy and granularity of BlackRock’s supplier-specific emissions data. ⁴⁶ Through these engagements, suppliers may share information with BlackRock on their sustainability efforts, commitments and GHG emissions measurement.

BlackRock developed a standard for reviewing and incorporating this primary supplier-reported data, improving the accuracy of supplier-specific emissions data within its footprint, where data is reliable and verified. Suppliers representing approximately 37% of the firm’s emissions have committed to setting or have set science-based targets validated by the SBTi. Considering the integration of its acquired entities, the firm anticipates its supply chain may evolve and grow in the next reporting cycle. BlackRock will update the program and how it reports progress based on this growth and the review of the firm’s corporate sustainability goals.

The firm also expanded its program’s resources and support beyond GHG measurement and reduction strategies through the launch of its Supplier Clean Energy Initiative. ⁴⁷ The initiative provides around 200 interested suppliers globally complimentary access to the Supplier REach clean energy marketplace tool developed by the global climate solutions provider 3Degrees, in collaboration with Microsoft. This initiative helps BlackRock suppliers voluntarily evaluate and access clean energy options that align with their business needs and regional realities.

Market solutions

As a part of its operational sustainability strategy, BlackRock supports nascent market solutions and emerging technologies, such as SAF and carbon dioxide removal, to enable them to scale while also acknowledging that these purchases do not replace reducing the firm’s operational emissions. BlackRock does not solely rely on these purchases to achieve emissions reduction but recognizes that funding these solutions is supplemental to its strategy, which is focused on avoiding and reducing operational emissions first.

SAF: In 2025, BlackRock continued its efforts to work with certain airlines, fuel producers, and aviation partners to identify procurement opportunities for physical SAF uplift and book-and-claim. ⁴⁸ Given the SAF market continues to mature, BlackRock has established selection criteria to evaluate high integrity SAFc procurement initiatives. BlackRock purchased 215,000 gallons of neat SAFc from diversified feedstocks ⁴⁹ in 2025. BlackRock supports the development of SAF as a near-term lever and leading decarbonization solution for aviation emissions.

Carbon credits: BlackRock purchases what it considers to be high-quality carbon dioxide removal credits to fund projects which have meaningful climate impact, advance deployment of carbon removal technologies, and to address the emissions from its operations that cannot currently be avoided or reduced. In 2025, BlackRock partnered with portfolio companies and clients focused on carbon removal while also executing new offtake agreements.

Building upon the selection criteria and due diligence process BlackRock established in 2023, the firm continued to fund technology vectors of nature-based, hybrid-based, and engineered-based removal credits with higher durability for its carbon credit portfolio. ⁵⁰

BlackRock explores and evaluates projects and emerging technologies that meet the firm's due diligence standards and may contribute to or benefit from infrastructure development, economic growth, workforce development, and the health and safety of local communities.

Social impact

Social Impact represents the firm's charitable arm and consists of two distinct pillars: (i) The BlackRock Foundation ("the Foundation"), which funds and partners with organizations that strengthen financial security for more people; and (ii) Social Impact employee engagement programs, which enable employees to drive local impact.

Below are examples of the **Foundation's philanthropic efforts** that support a low-carbon transition:

- **Breakthrough Energy Catalyst ("Catalyst").** Since September 2021, the Foundation has championed clean technology innovations through its 5-year \$100 million commitment to Catalyst. As of December 2025, Catalyst has committed to deploy approximately \$331 million of grant capital towards eight projects across the globe. Catalyst's projects announced recently include the following in Canada, Germany, and the U.S.:
 - **Direct Air Capture in Canada.** In December 2024, Catalyst announced a \$40 million grant investment in Deep Sky, a Quebec-based carbon removal project developer. The funds will support the research and development of commercial direct air capture technologies.⁵¹
 - **E-Fuel in Germany.** In January 2025, it was announced that Catalyst will invest €30 million alongside the European Investment Bank and the EU Commission to provide a combined total of €70 million in funding to INERATEC, a Germany based e-fuel company. The capital will fund INERATEC's carbon neutral e-fuel production plant in Frankfurt to support the development of SAF and other e-fuels.⁵²
 - **Electra:** In September 2025, Catalyst announced a \$50 million grant to Electra to partially fund Electra's first low-carbon iron demonstration plant in Colorado. Electra, a start-up based in Boulder, Colorado is a pioneering clean iron manufacturer that uses a combination of electricity and chemistry to purify iron helping reduce the carbon footprint of steel.

Below are examples of **Social Impact's employee engagement programs** that support the environment in local communities:

- **Supporting climate-focused charities.** In 2025, employee donations and BlackRock-matched contributions to climate-focused charities totaled \$1,014,077.⁵³
- **Responding to natural disasters.** The Foundation responded to multiple natural disasters in 2025 with corporate grants to several organizations. The Foundation made a \$500,000 grant to the Community Foundation of the Texas Hill Country to support Texas flood relief efforts, and a \$500,000 grant to the California Fire Foundation to assist with the Los Angeles wildfire rescue and relief. The Foundation also supported the American Red Cross with two grants: \$150,000 to support their spring storms and floods relief campaign and an additional \$70,000 for disaster relief efforts in the wake of Hurricane Melissa. A \$100,000 grant was also made to Team Rubicon for Hurricane Melissa relief efforts, in addition to a \$100,000 grant to the same organization for general disaster-preparedness. The Foundation also made a second installment of \$1 million to the International Rescue Committee as part of a three-year, \$3 million grant for a crisis response fund that includes crises driven by conflict, climate change and economic shocks.
- **Employee-driven grantmaking.** Social Impact runs a community grantmaking program ("Gives"), which enables employees to champion a range of cause areas and organizations, including climate, and environment-focused nonprofits. In 2025, Gives directed approximately \$3.1 million to 230+ organizations in over 100 communities which included \$94,625 in funding to 6 nonprofit organizations dedicated to environmental conservation in the U.K, the U.S., and Singapore. In addition, Social Impact also granted \$75,000 to Wildlife Conservation Society for their marine protection program.
- **Employee volunteering.** BlackRock employees volunteered for 79,371 hours in their communities in 2025, including park, forest and water clean-ups, tree plantings, wildlife and pet shelters support and recycling projects. In 2025, the employee-led Green Team Network ("GTN") strengthened global engagement and education through new initiatives such as the Earth Month Challenge and Global Clean-Up Month, hosting approximately 140 events and engaging more than 2,000 employees worldwide.

Key achievements included installing 80 solar streetlights in rural India, collecting over 9,000 kg of waste during clean-up activities, introducing office bottle recycling, replacing single-use items with reusable alternatives in office kitchens, and hosting eco-friendly events that combined sustainability with mental health and community support. GTN advanced education through the *Sustainability Chronicles* video series, external sessions such as Ecotarian-led food footprint discussions, and campaigns like *Plastic Not Fantastic* and *COP30 Engagement* to promote climate awareness and reduce single-use plastics. The Global Tree Planting Campaign continued into its sixth year, reaching over 69,000 trees planted since 2019.

Industry engagement and public policy

BlackRock advocates for public policies that it believes are in the long-term financial 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 with implementation costs. BlackRock's Government Affairs and Public Policy team contributes to financial services public policy discourse. The team comments on public policy topics through, among other things, its published *ViewPoints* series of whitepapers,⁵⁴ which examine public policy issues and assess their implications for investors, and through comment letters and consultation responses that BlackRock submits to policy makers and publishes on the firm's website.⁵⁵

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

Industry initiatives

In order to better serve the firm's clients, BlackRock participates in hundreds of organizations and trade groups relevant to clients across different issues, sectors, and regions, and participates in dialogue that may impact client portfolios.

BlackRock's investment decisions and its stewardship 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.

Further details on BlackRock's participation in industry initiatives can be found [here](#).

Risk Management

BlackRock's approach to managing investment risks in client portfolios

An integral part of BlackRock's identity is the core belief that rigorous risk management is critical to the delivery of high-quality asset management services. BlackRock employs a three-lines of defense approach to managing investment risks in client portfolios. BlackRock's investment teams and business management are the primary risk owners, or first line of defense. Portfolio managers and research analysts are responsible for evaluating the financially material environmental (as well as 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. Examples of climate-related risks taken into account may include risks from regulatory change or litigation and exposure to physical impacts such as flooding or other extreme weather events or changes in temperature. In addition, BlackRock has developed a framework to monitor exposure to carbon-intensive assets to support the understanding and management of potential climate-related risks.

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

The third line of defense, BlackRock's Internal Audit, operates as an assurance function. The mandate of Internal Audit is to independently assess the

adequacy and effectiveness of BlackRock's internal control environment to improve risk management, control, and governance processes.

Business continuity risk management

BlackRock is committed to providing high-quality, resilient services to its clients. Significant resources and effort are dedicated to Business Continuity Management ("BCM") and technology Disaster Recovery programs, which are designed to meet or exceed legal and regulatory obligations in the locations in which BlackRock operates.

BlackRock maintains business continuity plans to facilitate the continuity of business in the event of a business disruption. BlackRock's executive management provides oversight and governance to the firm's BCM program, supported by the BCM team, which manages the program.

BlackRock's Enterprise Resilience and Safety team conducts assessments of physical locations to create individual site risk models and plans for BlackRock offices and data centers that are then incorporated into BlackRock's risk management framework and reported on a monthly basis to the firm's risk management committees. These risk models consider acute climate-related risks, including severe weather, wildfires, and flooding, as well as chronic climate-related risks, such as rising global temperatures.

BlackRock uses weather modeling to assess risks from natural disasters across multiple phases, including site selection, facility design processes, and routine facility management operations. Evaluation criteria includes scale and type of energy use, GHG emissions, local climate, facility type, location, occupancy status, and potential financial impact.

To manage regulatory risk related to corporate operations, BlackRock's Health, Safety and Environment team performs forecasting to monitor emerging environmental regulations that may impact facility infrastructure and operations. The implementation of new requirements is tracked to ensure compliance.

Metrics and targets

The metrics provided in this section are presented for the period ending December 31, 2024 and excludes data from the acquired entities, unless otherwise stated.

Metrics included within this Report

- **Corporate GHG emissions.** BlackRock reports Scope 1, Scope 2, and relevant categories of Scope 3 emissions. BlackRock obtains third-party assurance for specified Scope 1 and 2 emissions, and for a portion of Scope 3 categories.⁵⁶ Exhibit M.1 provides BlackRock's corporate GHG emissions, in addition to select intensity and energy metrics.
- **Firm-level climate metrics for BlackRock's AUM.** BlackRock reports estimates reflecting the absolute emissions associated with BlackRock's AUM in corporate securities, direct real estate, infrastructure and private credit assets, where data is available. In addition, BlackRock reports both the adjusted and unadjusted carbon footprint⁵⁷ figures for corporate securities to account for enterprise value including cash ("EVIC") volatility. Estimates of these metrics are provided in Exhibit M.3. BlackRock also reports estimates for emissions intensity metrics associated with BlackRock's AUM for sovereign debt assets, where data is available, in Exhibit M.4.

Other publicly available metrics

- **Regulatory reporting.** A number of BlackRock's subsidiaries are subject to jurisdiction-specific mandatory sustainability reporting requirements. In some instances, these disclosures will include sustainability-related metrics.

Scope 3 (investments)

For Category 15 of Scope 3, "Investments" ("S3C15"), the GHG Protocol distinguishes asset owners from asset managers in that it requires asset owners to report emissions associated with their investments, whereas asset managers are not required to report emissions associated with investments managed on behalf of clients.⁵⁸

While the GHG Protocol draws this distinction, it does not fully address S3C15 reporting for asset managers. If an asset manager opts to report emissions associated with investments managed on behalf of clients, the same emissions would be accounted for in the S3C15 reporting of both the asset manager and the asset owner. In the absence of an industry wide disclosure standard that expressly rationalizes such an approach, BlackRock's 2025 Climate Report adopts the following approach:

- The S3C15 emissions in Exhibit M.1 reflect estimated emissions associated with a subset of BlackRock's own (on balance sheet) investments for which emissions data and corresponding emissions calculation methodologies are available.
- Exhibits M.3 and M.4 reflect estimated emission metrics relating to the disclosed asset classes that BlackRock manages on behalf of clients, to the extent that data and emission calculation methodologies are available.

Exhibit M.1: Corporate GHG emissions^{a,b,c}

In metric tons of CO ₂ e	2019 (baseline)	2020	2021	2022	2023	2024	% Change from 2019 ^d	
Scope 1 and 2								
Scope 1 ^e	6,583	4,294	5,869	6,895	6,983	7,188	9%	
Scope 2 (location-based) ^{f,g,h}	21,419	18,753	18,041	21,514	23,500	22,600	6%	
Scope 2 (market-based) ^{f,i,j,k}	2,747	1,646	1,611	2,382	1,568	773	(72%)	
Total Scope 1 and Scope 2 (location-based) ⁹	28,002	23,047	23,910	28,409	30,483	29,788	6%	
Total Scope 1 and Scope 2 (market-based) ^j	9,330	5,940	7,480	9,277	8,551	7,961	(15%)	
In metric tons of CO ₂ e	2019 (baseline)	2020	2021	2022	2023	2024	% Change from 2019 ^d	
Scope 3								
Upstream	1. Purchased goods and services	249,356	214,957	241,526	250,345	234,645	241,307	(3%)
	2. Capital goods ^l	8,015	2,337	29,410	49,097	34,620	26,257	228%
	3. Fuel- and energy-related activities (market-based) ^m	3,209	2,400	2,904	4,418	4,262	4,311	34%
	4. Transportation and distribution ⁿ	1,709	973	1,313	1,450	1,046	721	(58%)
	5. Waste generated in operations ^o	1,162	379	146	396	556	645	(45%)
	6. Business travel	47,246	7,879	3,737	22,194	46,720	47,796	1%
	7. Employee commuting (employee shuttles in India) ^p	1,161	26	30	65	1,619	1,319	14%
	8. Leased assets (market-based) ^l	-	-	334	647	359	405	-
Downstream	9. Transportation and distribution	Not relevant						
	10. Processing of sold products	Not relevant						
	11. Use of sold products	Not relevant						
	12. End-of-life treatment of sold products	Not relevant						
	13. Leased assets	Not relevant						
	14. Franchises	Not relevant						
	15. Investments Scope 1 + Scope 2 (BlackRock balance sheet only – see Exhibit M.3 for AUM-related metrics) ^q	-	116,015	80,868	53,774	94,362	97,646	-
	Investments Scope 3 (BlackRock balance sheet only – see Exhibit M.3 for AUM-related metrics) ^q	N/A	N/A	N/A	N/A	438,604	453,681	-
Emissions Intensity Metrics								
Scope 1 and Scope 2 location-based tCO ₂ e/\$1 million revenue	1.93	1.42	1.23	1.59	1.71	1.46	(24%)	
Scope 1 and Scope 2 location-based tCO ₂ e per employee ^f	1.71	1.34	1.36	1.46	1.53	1.46	(15%)	
Scope 3 business travel per employee ^f	2.89	0.46	0.21	1.14	2.34	2.34	(19%)	
Electricity								
Total electricity consumed (MWh) ⁵	70,605	64,225	65,616	75,760	75,203	72,748	3%	
Percent renewable electricity [†]	100%	100%	100%	100%	100%	100%	-	

a COVID-19 had a significant impact on BlackRock's operating model. This should be considered when reviewing year-on-year trends.

b Metrics for Scope 1, Scope 2 and Scope 3.1-3.8 are reproduced from BlackRock's GHG Emissions Report. BlackRock engaged Deloitte & Touche LLP ("Deloitte") to perform a review engagement on management's assertion that the [BlackRock GHG Emissions Report](#) is presented in accordance with the GHG Protocol. Deloitte also performed similar review engagements for the years ended December 31, 2023, 2022 and 2021. Any emissions recalculations resulting from methodology changes for these years, as described in the footnotes to this table, were not subject to Deloitte's review. Accordingly, Deloitte does not express a conclusion or any form of assurance on such information. Information relating to periods prior to the year-ended December 31, 2021, including the 2019 baseline, was likewise not subject to Deloitte's review, and Deloitte does not express a conclusion or any form of assurance on such information. The 2019 and 2020 GHG Emissions information (excluding recalculations) was subject to limited assurance by Lloyd's Register Quality Assurance, Inc. Deloitte's Independent Accountant's Review Report for the year-ended December 31, 2024 can be found on page 10 at [BlackRock Inc. GHG Emissions Report](#).

c Further details on the recalculations referenced in the footnotes below and the underlying methodologies used to calculate the emissions disclosed in this table can be found in [BlackRock Inc. GHG Emissions Report](#).

d One factor that may impact emissions is employee headcount. BlackRock global employee headcount increased from ~16,200 as at December 31, 2019 to ~21,100 as at December 31, 2024.

e Emissions have been recalculated using an updated methodology to estimate emissions from refrigerants. Previously reported figures were 6,386, 4,090, 5,308, 6,401, and 6,689 in 2019-2023 respectively.

f Emissions include indirect emissions arising from purchased electricity and purchased heat.

g Per GHG Protocol: "A location-based method reflects the average emissions intensity of grids on which energy consumption occurs."

h Emissions have primarily increased from 2019 due to the increase in facility area in major BlackRock offices.

i Per GHG Protocol: "A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). It derives emissions factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims." When EACs are used, BlackRock seeks to match the country in which the electricity was generated to the country in which the EAC is issued. In some cases, country-by-country matching is not possible; for example, where EACs are not

available or cost prohibitive. In those cases, BlackRock will cover electricity usage with EACs from a neighboring region. BlackRock applies zero emissions only when the EAC matches the country or market-boundary (e.g., U.S. or EU) of usage.

j Emissions have decreased mainly due to the purchase of more EACs that match the country in which the electricity was generated.

k For 2019-2021, BlackRock had a renewable energy contract with Calpine for its New York offices, that included the purchase of wind power energy on behalf of BlackRock. BlackRock considers this wind power electricity contract to allow for zero market-based emissions reporting. BlackRock did not receive the associated EACs from the wind asset as they are used and retired by NYSERDA to meet its compliance obligations under the State renewable energy standards.

l Emissions increased in 2021 primarily due to construction of BlackRock's new headquarters in New York which completed in Q1 2023. Since completion, emissions have declined; however, 2024 emissions remain elevated primarily due to other construction of new facilities in Edinburgh and Dublin, alongside ongoing infrastructure upgrades at the Chicago site.

m Fuel- and energy-related activities ("FERA") increase reflects the addition of well-to-tank ("WTT") added to this category from 2022. In line with BlackRock's Recalculation Policy, prior years were not recalculated.

n Upstream Transportation & Distribution emissions have decreased from 2019 mainly due to the transition from U.S. EEIO²⁴ emission factors to more granular factors from the U.S. EPA supply chain in 2024. This change did not trigger a recalculation of prior years.

o Emissions from operational waste declined during the COVID-19 operating period and increased following BlackRock's return-to-office policy, but remained below pre-COVID levels in 2024, partly due to the continued adoption of hybrid working..

p Employee commuting emissions relate to a shuttle service operating in India. Emissions have increased mainly due to the addition of WTT in 2023, this addition did not trigger a recalculation of prior years.

q Movements in estimated emissions associated with BlackRock investments (excluding minority investments and carried interest) could be associated with, but not limited to, changes in BlackRock's investments, changes in investments held by BlackRock where emissions data is available, or changes in the emissions of the investments themselves.

r Denominator consists of full-time equivalent employees.

s Represents electricity under BlackRock's operational control (Scope 2). Additional electricity consumed by upstream leased assets in 2024 was 2,536 MWh.

t 100% renewable energy metric covers electricity loads from facilities, data centers, and upstream leased assets. Where BlackRock does not have operational control to procure its own renewable electricity, the firm purchases EACs as a means to achieve the 100% renewable electricity goal.

Firm-level climate metrics for BlackRock's AUM

As an asset manager, BlackRock acts as an agent, investing assets that belong to its clients on its clients' behalf. Consistent with the prior year, BlackRock's 2025 Climate Report includes disclosure of estimated absolute Scope 1 and Scope 2 emissions (to the extent that data is available) associated with investments in corporate securities, direct real estate and infrastructure equity assets managed on behalf of clients. This Report also includes disclosure of estimated absolute Scope 3 emissions associated with investments in corporate securities that BlackRock manages on behalf of clients.

For the first time, BlackRock's 2025 Climate Report also reflects, to the extent that data is available:

- estimated absolute Scope 1, 2 and 3 emissions in respect of investments in infrastructure debt assets that BlackRock manages on behalf of clients; and
- estimated absolute Scope 1, 2 and 3 emissions in respect of private credit assets that BlackRock manages on behalf of clients.

Absolute emissions in this context refers to the proportionate exposure to an investee company or asset's emissions, calculated based on the percentage value of that investee company or asset held in portfolios managed by BlackRock on behalf of clients. While absolute emissions metrics are intellectually consistent with other GHG emissions metrics reported at the corporate level,⁶⁰ they do not account for changes in the size of investments over the reporting period. As a result, absolute emissions may increase where the total value of assets for which emissions data is collected increases, and decrease where that value declines.

To account for this limitation, BlackRock also estimates carbon footprint, which represents absolute emissions divided by the value of assets (rounded to the nearest \$million) to which the emissions relate, normalizing emissions for the size of the investment.

Absolute emissions and carbon footprint metrics are also sensitive to fluctuations in asset values, including changes in EVIC from one period to the next, this volatility can reduce year-on-year comparability. To address this, in addition to disclosing an unadjusted carbon footprint, BlackRock also reports an adjusted carbon footprint for investments in corporate securities managed on behalf of clients, where data was available. The adjusted metric is intended to account for the influence of market value fluctuations.⁶¹

BlackRock also discloses emissions intensity for sovereign debt assets managed on behalf of its clients, to the extent that the requisite data is available.

Exhibit M.2 summarizes the scope of emissions that have been accounted for in respect of each of the asset classes referenced above. As of year-end 2024, estimated absolute emissions for investments in corporate securities, direct real estate, private credit and infrastructure assets included in this analysis represent approximately 55% of BlackRock’s AUM.

Exhibit M.2: GHG emissions from AUM – Asset Class Emissions Scope

Asset classes included	Scope 1	Scope 2	Scope 3	Data source
Listed equities, corporate bonds and associated derivatives	✓	✓	✓	MSCI
Private credit and infrastructure	✓	✓	✓	Directly from investments
Direct real estate	✓	✓		Directly from investments
Sovereigns	✓			MSCI

The following asset classes are excluded from BlackRock’s disclosure of emissions associated with investments managed on behalf of clients: non-corporate fixed income, commodities, alternatives other than real estate, private credit and infrastructure, and derivatives not linked to corporate issuers.

Methodology

BlackRock referenced the Partnership for Carbon Accounting Financials (“PCAF”)⁶² developed Global GHG Accounting and Reporting Standard for the Financial Industry (“PCAF Standard”), as a starting point for estimating absolute emissions associated with BlackRock’s AUM.⁶³ BlackRock makes several methodological decisions that are either not included or fully covered in the PCAF Standard, which are discussed below.

Corporate securities

For corporate securities (listed equity, corporate bonds and associated derivatives), emissions were apportioned based on the proportion of the company’s EVIC held in portfolios managed by BlackRock on behalf of clients. Issuer-level Scope 1, 2 and 3 emissions data and issuer-level EVIC data were obtained from MSCI.⁶⁴

Derivatives and short positions are reported on a net exposure basis. Given that the majority of BlackRock’s AUM is held in long-only index portfolios where short positions and derivatives are not a significant component of the investment strategy, this methodology had a minimal impact on estimated absolute emissions and carbon footprint.

Using BlackRock’s proprietary shading taxonomy for green bonds, holdings that are categorized as “medium” or “dark” green were assigned zero emissions and therefore excluded from the analysis. All other exposures to the relevant issuers were included, including those held through bonds categorized as “light” and “very light” green.

To mitigate the timing lag between the portfolio holding date and the availability of emissions reported for the contemporaneous reporting period, two dates were used in this analysis: (i) the “holdings value analysis date”, which reflects exposure to each issuer at December 31; and (ii) the “emissions effective date”, which reflects the date the latest emissions data available from third-party data providers is provisioned to BlackRock. For this reporting period, the emissions effective date was November 21, 2025. As discussed in the limitations section below, while this approach is unlikely to address all instances of lagged emissions data, it increases the likelihood that emissions and holdings are aligned.

Real estate, private credit and infrastructure assets

For directly invested real estate, private credit and infrastructure investments, BlackRock has established engagement and data collation programs to gather, measure and report sustainability metrics at the individual investment-level and aggregated portfolio-level. GHG emissions are aggregated at the portfolio-level, based on the share of emissions directly attributable to the investments represented by BlackRock's clients' assets.

Results and discussion – corporate securities, direct real estate, private credit and infrastructure assets

Exhibit M.3 provides estimates of absolute emissions for BlackRock's AUM in corporate securities, direct real estate, private credit and infrastructure assets, where data was available. The following matters should be considered when reviewing the metrics disclosed in Exhibit M.3:

- The scope of emissions disclosed vary according to asset class. This is summarized in Exhibit M.2.
- For the first time, BlackRock's 2025 Climate Report includes estimated Scope 1, 2 and 3 emissions associated with private credit and infrastructure debt assets that BlackRock manages on behalf of its clients. This is reflected, exclusively, in the emission metrics for the reporting reference period ending December 31, 2024. As a result, readers should be cautious when drawing conclusions based on year-over-year changes.

Estimated absolute Scope 1 and Scope 2 emissions were 359 million tons CO₂e in 2024, up from 330 million tons of CO₂e in 2023. Estimated absolute Scope 3 emissions in corporate securities, private credit and infrastructure assets that BlackRock manages on behalf of clients were 2,302 million tons CO₂e in 2024, up from 2,179 million tons CO₂e in 2023. The increase in absolute emissions may reflect, in part, the growth in AUM over the same period.

To normalise for changes in the size of AUM, BlackRock calculates an unadjusted carbon footprint. The unadjusted carbon footprint for Scope 1 and Scope 2 emissions was 45 tons of CO₂e per \$m of AUM in 2024, down from 53 tons per \$m of AUM in 2023. One of the drivers of this year-over-year movement is the shift in the mix of underlying assets, influenced by relative changes in the size and composition of different portfolios. To account for the impact of changes in EVIC, BlackRock also calculates an adjusted carbon footprint.

Under the established methodology, an adjustment factor is applied to the unadjusted base carbon footprint (set as 2020 for the purpose of this Report). The 2024 adjusted carbon footprint for Scope 1 and Scope 2 emissions, which accounts for the market volatility in 2021–2024, was 58 tons of CO₂e per \$m of AUM, compared with 59 tons in 2023. For combined Scope 1, 2 and 3 emissions, the unadjusted carbon footprint in 2024 was 332 tons of CO₂e per \$m of AUM, down from 378 in 2023. BlackRock is also reporting an adjusted carbon footprint for combined Scope 1, 2 and 3 emissions for the first time in 2024, which is 429 tons of CO₂e per \$m of AUM.

As markets rose meaningfully over this period, the adjusted carbon footprint for emissions seeks to smooth the impact of EVIC-driven volatility. As shown in Exhibit M.3, the adjusted figures therefore exhibit less dramatic year-over-year movements than the unadjusted values.

BlackRock believes that adjusted carbon footprint serves as a better point of comparison to the unadjusted carbon footprint, since changes should be largely driven by asset allocation decisions and changes in reported investee company emissions, rather than by market volatility. These estimates are based on the portion of BlackRock's AUM for which emissions data and methodologies are available to calculate the emissions attributable to BlackRock's AUM. This portion reflects approximately \$8 trillion in 2024, representing approximately 55% of BlackRock's total AUM.

The limitations of the estimates should be reviewed carefully (see the discussion of Limitations below). The analysis indicates that, in line with previous years, the emissions associated with the investments that BlackRock makes on behalf of its clients are generally aligned with the state of global emissions. The scope of this analysis was corporate securities, direct real estate, private credit and infrastructure assets (where data was available), representing approximately \$8 trillion of BlackRock's AUM, which equates to approximately 1% of global financial assets.⁶⁵ Similarly, the emissions associated with the investments in the analysis represent under 1%⁶⁶ of total annual global emissions.⁶⁷ These results align with BlackRock's intuition about its business given that the majority of the investments BlackRock makes on behalf of its clients are held in index funds. Index funds, by their very nature, are meant to reflect the underlying markets in which they invest, which would suggest that the magnitude of emissions from BlackRock's investments on behalf of clients would be consistent with its proportionate market share of global financial assets.⁶⁸

Exhibit M.3: GHG emissions associated with BlackRock’s assets under management^a

	Scope	2020 ^b	2021 ^c	2022 ^d	2023 ^e	2024 ^f
Absolute emissions (million tCO ₂ e)	Scope 1 + 2	320	341	332	330	359
	Scope 3	N/A	N/A	N/A	2,179	2,302
Unadjusted carbon footprint (tCO ₂ e / \$m AUM)	Scope 1 + 2	57	50	59	53	45
	Scope 1 + 2 + 3	N/A	N/A	N/A	378	332
Adjusted carbon footprint (tCO ₂ e / \$m AUM)	Scope 1 + 2	N/A	55	62	59	58
	Scope 1 + 2 + 3	N/A	N/A	N/A	N/A	429

Data above represents unaudited estimates. Not comprehensive – figures reflect coverage of approximately 55% of AUM. Changes in reported AUM coverage from previous reports can be attributed to shifts in list of portfolios and positions in scope of the analysis. There are several limitations associated with these figures. Please review results in conjunction with the limitations section provided below.

a Absolute Emissions includes corporate securities (listed equity, corporate bonds, associated derivatives) direct real estate, private credit and infrastructure assets (where data was available) and excludes all other AUM. Unadjusted and Adjusted Carbon Footprint metrics includes corporate securities (where data was available) and excludes all other AUM. Estimated absolute Scope 3 emissions in respect of investments in corporate securities have only been included from the reporting reference period ending December 31, 2023; and for private credit and infrastructure assets for the reference period ending December 31, 2024. As such, given the requirement for a base year comparator, an adjusted carbon footprint indicator for Scope 1, 2 and 3 has been disclosed for the first time in 2024.

b Holdings value analysis date is as of December 31, 2020. Emissions and EVIC data were extracted from third-party data providers on September 30, 2021.

c Holdings value analysis date is as of December 31, 2021. Emissions and EVIC data were extracted from third-party data providers on September 30, 2022.

d Holdings value analysis date is as of December 30, 2022. Emissions and EVIC data were extracted from third-party data providers on September 29, 2023.

e Holdings value analysis date is as of December 29, 2023. Emissions and EVIC data were extracted from third-party data providers on December 17, 2024.

f Holdings value analysis date is as of December 31, 2024. Emissions and EVIC data were extracted from third party data providers on November 21, 2025.

Sovereigns

BlackRock reports emission intensity metrics for sovereign debt assets, where data is available, in this Report.

Metrics selection

BlackRock has continued to select GHG intensity per GDP Purchasing Power Parity (“PPP”) to represent the emissions intensity for sovereign bond investments. GHG intensity per GDP PPP represents the carbon efficiency of an economy’s production of goods and services, which is a representation of the carbon intensity of the economy and how exposed it is to changes in emissions regulations. PPP adjusted GDP is used as the denominator because it represents the relative size of different economies while adjusting for price-level changes over time. This gives GDP PPP an advantage over nominal or real GDP metrics, which would make GHG intensity highly dependent on inflation and price-level changes as opposed to fundamental changes. Exhibit M.4 identifies the GHG intensity per GDP PPP for sovereign assets included in BlackRock’s AUM, where data was available.

Methodology

Due to fundamental differences between sovereign and corporate securities, and to avoid double counting, emissions reporting for sovereign debt assets is reported separately. BlackRock reports GHG intensity per GDP PPP which was produced utilizing MSCI data. The GHG intensity per GDP PPP was aggregated as a weighted average, with weights proportional to the investment in each sovereign represented by investments managed by BlackRock on behalf of its clients.

Results

Sovereign emissions intensity is a metric which represents the nation’s carbon efficiency, or how dependent its economic activity is on carbon emissions. A higher emissions intensity indicates a relatively higher exposure to transition risks associated with emissions regulations, as well as a greater contribution to global GHG levels and the associated impact on warming. Exhibit M.4 outlines the GHG intensity per GDP PPP. The metrics were derived from an analysis of sovereign assets as a portion of BlackRock’s AUM which represents approximately 12% in 2024.

Exhibit M.4: BlackRock GHG emissions intensity metric for sovereigns included in BlackRock's AUM^a

	2020 ^b	2021 ^c	2022 ^d	2023 ^e	2024 ^f
GHG intensity per GDP PPP (tons per \$m)^g	204	194	202	206	208

Data above represents unaudited, estimates.

a GHG intensity per GDP PPP includes sovereign assets and excludes all other AUM.

The above metrics were derived from an analysis of sovereign debt assets as a portion of BlackRock's AUM which represents approximately 11% in 2020, 10% in 2021, 10% in 2022, 11% in 2023, and 12% in 2024.

b Holdings value analysis date is as of December 31, 2020. Emissions and EVIC data were extracted from third-party data providers on September 30, 2021.

c Holdings value analysis date is as of December 31, 2021. Emissions and EVIC data were extracted from third party data providers on September 30, 2022.

d Holdings value analysis date is as of December 30, 2022. Emissions and EVIC data were extracted from third party data providers on September 29, 2023.

e Holdings value analysis date is as of December 29, 2023. Emissions and EVIC data were extracted from third-party data providers on December 17, 2024.

f Holdings value analysis date is as of December 31, 2024. Emissions and EVIC data were extracted from third-party data providers on November 21, 2025.

g GDP PPP data represents the CO₂ intensity (kg per 2017 PPP USD of GDP).

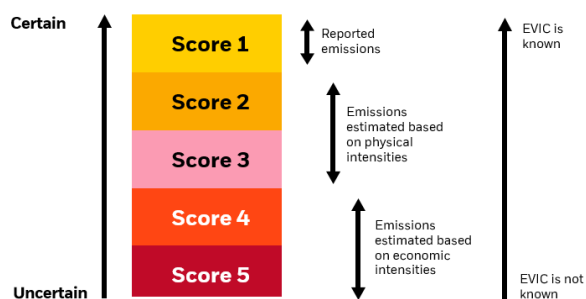
Figures in the table have been converted into tons per \$m.

Limitations

Data quality

Accurate computation of climate-related metrics in investment portfolios requires high quality security-level data including GHG emissions data for underlying investments. Many companies are measuring and publicly reporting their GHG emissions, which facilitates the type of high-quality data that investors need to effectively calculate climate-related portfolio metrics. However, many companies have not fully reported comprehensive emissions profiles or have not yet started reporting. Recognizing that deferring measurement and reporting until 100% reported data is available would impede the progress BlackRock could make in the near-term in providing transparency to stakeholders. Estimates were used to fill data gaps, when necessary and appropriate. Estimated data reduces the reliability of the metrics since estimated emissions may not accurately reflect the actual emissions of any given investment.

Exhibit M.5: PCAF data quality scores overview



Note: The Exhibit above is oversimplified for illustrative purposes. Please refer to PCAF Standard for additional detail.

The PCAF Standard recognizes that data availability is a challenge for GHG emissions reporting by financial institutions and provides a methodology for computing a Data Quality Score (ranging from “1” – highest quality to “5” – lowest quality). The PCAF Data Quality Score is designed to provide insight on the level of estimation involved with the disclosure of financed emissions. An overview of the PCAF Data Quality scores is provided in Exhibit M.5.

As discussed in the methodology section, BlackRock leveraged MSCI for emissions and EVIC data for the corporate securities included in the analysis. In the case that companies in MSCI's dataset have not reported their emissions, MSCI uses proprietary methods to estimate the company's emissions.

To derive a PCAF Data Quality Score, BlackRock calculated an average of data scores for individual securities weighted by assets invested in each security. BlackRock then converted these scores to the PCAF categories using an internally developed methodology. Based on this approach, the PCAF Data Quality Score is approximately 2 to 3. This means that a portion of the underlying data used in the analysis is reported, but a portion is estimated. Increasing regulatory and voluntary climate-related reporting by companies will likely increase the availability of reported data over time, which should improve data quality. It should be noted that the PCAF Data Quality Score disclosed here is relevant only to absolute Scope 1 and Scope 2 emissions in respect of investments in corporate securities managed by BlackRock on behalf of its clients. The PCAF Data Quality Score is not relevant to absolute Scope 3 emissions in respect of corporate securities, private credit and infrastructure assets, nor is it relevant to absolute Scope 1 and Scope 2 emissions in respect of direct real estate.

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 MSCI. While BlackRock sought to mitigate the impact of lagged data on the estimates by varying the holdings analysis date and the emissions data collection date, emissions data included in the analysis for a given holding each year may reflect GHG emissions from prior year(s) for at least a subset of holdings included in the analysis.

AUM coverage

Several asset classes in which BlackRock makes investments on behalf of its clients are not included in the estimates in this Report, either because insufficient data was available or because methodologies to compute GHG emissions associated with an asset class have not yet been established.

Sensitivity to market volatility

As discussed above, absolute emissions and carbon footprint metrics are sensitive to fluctuations in asset value, particularly, though not exclusively, due to changes in EVIC. Market volatility can, therefore, reduce the comparability of absolute emissions and carbon footprint metrics from one year to the next. Other factors that drive changes in absolute emissions are: (i) changes in the emissions profile of the underlying investee companies/assets, and (ii) changes to the asset allocation in portfolios managed by BlackRock on behalf of its clients.

Sensitivity to market volatility can obscure which of these factors is driving the changes in the metric year-over-year. As such, the absolute emissions and carbon footprint figures provided are not directly comparable. Users should be cautious when drawing conclusions based on changes from one year to the next.

Backward-looking

While BlackRock believes that absolute emissions and carbon footprint are useful metrics, it is worth noting that these metrics are backward-looking in that they only consider past emissions of investee companies/assets. They do not provide an assessment of how the emissions profile of underlying investee companies/assets may evolve over time in response to, for example, the adoption by an investee company of a climate transition plan, and/or emission reduction targets.

Endnotes

1. Please see additional information about the TCFD Recommendations at: https://assets.bbhub.io/company/sites/60/2021/07/2021-TCFD-Implementing_Guidance.pdf.
2. Please see additional information about S2 incorporating the TCFD pillars and recommendations at: [ifrs-s2-comparison-tcfd.pdf](https://www.blackrock.com/asset-management/insights/articles-perspectives/s2-comparison-tcfd)
3. Please see additional information about the TCFD disbanding at: <https://www.fsb-tcfid.org/>.
4. The inclusion of information contained in this Report should not be construed as a characterization regarding the materiality or financial impact of that information. Please also see BlackRock's Annual Report on Form 10-K filed on February 25, 2026 ("2025 Annual Report") and other publicly filed documents for additional information at: <https://ir.blackrock.com/>.
5. In this Report, the firm makes frequent reference to terminology pertaining to the transition to a low-carbon economy. These references include, but are not limited to, terminology such as "transition to a low-carbon economy", "low-carbon transition" and "the energy transition".
6. Sustainability-related matters, for the purposes of this Report, include the integration of environmental, social and/or governance data or information into firmwide processes (where relevant), sustainable investment strategies, investment stewardship engagement on material climate-related matters, corporate sustainability strategy, disclosures, public policy and philanthropic activities.
7. Please see BlackRock's [website](https://www.blackrock.com/asset-management/insights/articles-perspectives/s2-comparison-tcfd) for more details on the firm's approach to corporate sustainability.
8. Any data or information around climate issues that could impact a company's ability to perform over time.
9. Megawatt hour
10. Source: BlackRock as of February 2026. Includes a select group of BlackRock's largest client relationships globally. Climate commitments and targets are sourced from each respective client's website or public disclosures.
11. This includes some transition-focused strategies that also meet the firm's Sustainable & Transition Investing Platform criteria. The BlackRock Sustainable & Transition Investing Platform includes: 1) "Screened" strategies that constrain investments by avoiding issuers or business activities with certain environmental, social and/or governance characteristics, 2) "Uplift" strategies with a commitment to investments with improved environmental, social and/or governance characteristics versus a stated universe or benchmark, 3) "Thematic" strategies with targeted investments in issuers whose business models may not only benefit from but also may drive long-term sustainability outcomes and 4) "Impact" strategies with a commitment to generate positive, measurable and additional sustainability outcomes.
12. Fund count does not include all available share classes.
13. Source: BlackRock.
14. The term "Active" is used to refer to investment strategies that seek to achieve returns that are greater than an index return, as well as absolute return strategies. This terminology is meant to distinguish this subset of products from index investment strategies, which seek to match the return of an index.
15. These portfolios may include active and index portfolio approaches.
16. [Green Bond Principles June 2025](https://www.blackrock.com/asset-management/insights/articles-perspectives/green-bond-principles-june-2025)
17. Please see more information on LEED at: <https://www.usgbc.org/help/what-leed>.
18. See J. Kazdin, K. Schwaiger, V.-S. Wendt, and A. Ang, Climate Alpha with Predictors
19. These transactions are managed by BlackRock's Cash Management group, in the firm's role as an asset manager, and are independent from BlackRock's approach to carbon credit procurement for its own operations.
20. Source: McKinsey & Company 'The infrastructure moment' [Investing in the infrastructure of modern society | McKinsey](https://www.mckinsey.com/industries/infrastructure/our-insights/the-infrastructure-moment)
21. Source: <https://www.infrastructureinvestor.com/infrastructure-investor-100/>
22. BlackRock as of September 30, 2025.
23. The investment stewardship activities of GIP and HPS are not included in this section of the Report.
24. On February 11, 2025, the U.S. Securities and Exchange Commission (SEC) staff issued updated guidance for shareholders to maintain their eligibility to report their beneficial ownership under Schedule 13G of the Exchange Act. BlackRock complies fully with these requirements and does not engage with portfolio companies for the purpose, or with the effect, of changing or influencing control of any company.
25. Source: BlackRock. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025.
26. Source: BlackRock. Sourced on July 23, 2025, reflecting data from July 1, 2024, through June 30, 2025.
27. BIS has observed that more companies are developing such plans, and public policymakers in certain markets are signaling their intentions to require them or already have requirements in place, such as Australia, Brazil, and the European Union. BIS views transition plans as a method for a company to both internally assess and externally communicate its long-term strategy, ambition, objectives, and actions to create financial value through the transition towards a low-carbon economy. Across the landscape, there remains divergence on the objectives of such plans and the details they should contain. While transition plans can be helpful disclosure, BIS does not make the preparation and production of transition plans a voting issue. BIS may engage companies that have chosen to publish a transition plan to understand their planned actions and resource implications.
28. BlackRock will determine eligibility criteria under this program based upon, among other things, local market regulation and practice, cost considerations, operational risk and/or complexity, and financial considerations, including the decision to lend securities.
29. Assets include index equity assets held in multi-asset fund of funds strategies.
30. BlackRock's principal office, which is leased, is located at 50 Hudson Yards, New York. BlackRock also leases office space throughout the world, including Atlanta (Georgia), Belgrade (Serbia), Budapest (Hungary), Edinburgh (U.K.), Gurgaon (India), Hong Kong (China), London (U.K.), Mumbai (India), Princeton (New Jersey), San Francisco (California), and Singapore (Singapore). BlackRock also owns an 84,500 square foot office building in Wilmington, Delaware and a 43,000 square foot data center in Amherst, New York.

31. The Intergovernmental Panel on Climate Change ("IPCC") defines physical risk as risk to facilities and infrastructure, impact on operations, water and raw material availability and supply chain disruptions. See more in the concept of risk in the IPCC Sixth Assessment Report: A summary of cross Working Group discussions (September 2020). Available at: https://www.ipcc.ch/site/assets/uploads/2021/02/Risk-guidance-FINAL_15Feb2021.pdf.
32. Source: NGFS long-term scenarios for central banks and supervisors, available at: <https://www.ngfs.net/system/files/2025-02/NGFS%20Climate%20Scenarios%20for%20central%20banks%20and%20supervisors%20-%20Phase%20V%20%287%29.pdf>
33. Source: IPCC's Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, available at: https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_SPM.pdf
34. Exhibit S.4 was developed by the NGFS and derived from their NGFS Phase V climate scenarios materials. BlackRock recreated this chart and respective legend in its own color scheme for the purposes of this Report. Please see the original chart and additional information available at: <https://www.ngfs.net/system/files/2025-02/NGFS%20Climate%20Scenarios%20for%20central%20banks%20and%20supervisors%20-%20Phase%20V%20%287%29.pdf>
35. Exhibit S.5 was developed by the IPCC and derived from IPCC's Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. BlackRock recreated this chart and respective legend in its own color scheme for the purposes of this Report. Please see the original chart and additional information available at: https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_SPM.pdf
36. Baseline socio-economic assumptions are assumed to be the same across scenarios. As of now, NGFS does not model where some of the current policies are regressed.
37. Please see additional information from the NGFS "NGFS long-term scenarios for central banks and supervisors," available at: <https://www.ngfs.net/system/files/2025-02/NGFS%20Climate%20Scenarios%20for%20central%20banks%20and%20supervisors%20-%20Phase%20V%20%287%29.pdf>
38. Please see additional information from the NGFS at: <https://www.ngfs.net/ngfs-scenarios-portal/data-resources>
39. Source: IPCC's Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Original figures and additional information are available at: https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_SPM.pdf
40. BlackRock achieved its 100% renewable electricity match goal to match the same amount of renewable electricity as the electricity that BlackRock's global operations (including facilities, data centers, and upstream leased assets) consume annually, for its 2024 electricity consumption. BlackRock is a tenant of multi-tenant buildings and contracts directly for renewable electricity wherever possible. Where BlackRock does not have operational control to procure its own electricity, or where renewable electricity is not available, BlackRock purchases EACs as a means of achieving this goal. While BlackRock matches its global electricity load with 100% renewable energy, BlackRock has some residual Scope 2 market-based emissions. BlackRock seeks to match the country in which the electricity was generated to the country in which the EACs are issued. In some cases, country-by-country matching is not possible; for example, where EACs are not available or cost prohibitive, which results in residual Scope 2 market-based emissions according to the GHG Protocol.
41. The activities of the acquired entities are excluded in this section of the Report.
42. SAFc represents the environmental attributes of one metric ton of neat (unblended) SAF. SAFc is not yet accepted by sustainability standard setting bodies, and therefore, is not applied as an emission reduction against BlackRock's operational GHG emissions inventory.
43. The activities of the acquired entities are excluded in this section of the Report.
44. SABA is a collaborative initiative that brings together aviation customers, airlines, and sustainability-related organizations to accelerate investment in SAF. SABA aims to drive investment in SAF, which is a leading low-carbon technology in the aviation industry.
45. Representing emissions from Scope 3.1 Purchased Goods & Services, 3.2 Capital Goods, 3.4 Upstream Transportation & Distribution, and 3.6 Business Travel. Engagement as at December 31, 2025 based on supplier list and emissions as of December 31, 2024.
46. This includes BlackRock's supplier specific spend data.
47. Launched in January 2026.
48. Book-and-claim is an approach to purchasing SAFc whereby the environmental attributes associated with the fuel is decoupled from the physical fuel.
49. SAF feedstocks are the raw materials used to produce SAF, which have varying levels of GHG emissions reductions compared to conventional jet fuel. In 2025, BlackRock evaluated SAFc procurement opportunities from feedstocks including tallow and used cooking oil. The emissions reduction associated with BlackRock's SAFc purchases was greater than 75%.
50. For its 2024 operational GHG emissions, BlackRock retired carbon credits to apply toward its Scope 1, Scope 2, and a portion of Scope 3 Business Travel. BlackRock's portfolio consisted of both nature-based (improved forest management), hybrid (biochar and biomass burial), and engineered (concrete mineralization) carbon dioxide removal credits. BlackRock also executed offtake agreements for carbon removal credits associated with biochar, biomass burial, and direct air capture for future credit delivery.
51. [Deep Sky Secures \\$40M Grant from Breakthrough Energy Catalyst to Scale Direct Air Capture](https://www.eib.org/en/press/all/2025-029-inatec-s-e-fuel-demo-plant-in-frankfurt-gets-eur70-million-from-eib-eu-commission-and-breakthrough-energy)
52. <https://www.eib.org/en/press/all/2025-029-inatec-s-e-fuel-demo-plant-in-frankfurt-gets-eur70-million-from-eib-eu-commission-and-breakthrough-energy>
53. Categorized by CECP as "Environmental Quality, Protection, and Beautification" or relevant charities within "Public Safety, Disaster Preparedness, and Relief".
54. Please see additional information on BlackRock Public Policy ViewPoints, at: <https://www.blackrock.com/corporate/insights/public-policy/viewpoints-letters-consultations>
55. 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>
56. Please see the Independent Accountant's Review Report relating to BlackRock Inc.'s Corporate GHG Emissions at: [BlackRock Inc. GHG Emissions Report](#)
57. Consistency in terminology is a key challenge in sustainability. The term "carbon footprint" in this Report refers to absolute emissions financed by BlackRock's clients' investments in corporate securities divided by BlackRock's AUM (rounded to \$ millions) in those securities. This aligns with the terminology used in the European Union's SFDR.
58. Please see additional information available at https://ghgprotocol.org/sites/default/files/standards_supporting/Chapter15.pdf.
59. Environmentally Extended Input-Output

60. A significant majority of the investments BlackRock makes on behalf of its clients are in publicly traded equity and debt securities. Unlike emissions associated with real economy activities, the buying and holding of equity or fixed income securities does not cause the release of GHG emissions into the atmosphere. In that sense, GHG emissions for AUM are decidedly different than Scope 1 and 2 emissions (as well as many categories of Scope 3 emissions) reported by companies, where the metric reflects activities that directly result in the release of emissions into the atmosphere.
61. While EVIC is a factor in driving fluctuation in asset values there are other factors that drive changes in absolute emissions and carbon footprint. Please see the limitations section for further information.
62. About PCAF: Available at: <https://carbonaccountingfinancials.com/about>.
63. BlackRock also consulted the GHG Protocol and the EU SFDR Regulatory Technical Standards.
64. MSCI utilizes reported data from companies where emissions are disclosed. Where companies do not disclose their emissions, MSCI applies proprietary methods to estimate emissions.
65. Global financial and real assets totaled \$572.9 trillion in 2024, according to Global Wealth 2025: Rethinking the Rules for Growth, a Report by Boston Consulting Group (June 2025). Available at: [2025-global-wealth-report-june-2025.pdf](#)
66. This metric is based on Scope 1 and 2 emissions.
67. UN Environment Programme (2025). Emissions Gap Report. Available at: <https://www.unep.org/resources/emissions-gap-report-2025>.
68. While the relative percentages referenced are directionally similar, small differences at a global scale can represent very large absolute values. Accordingly, percentage comparisons are intended to provide high-level order of magnitude rather than precise proportionality and equivalence.

Disclosures

This Report contains information about BlackRock and may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act. All statements, other than statements of historical facts, may be forward-looking statements, including statements related to BlackRock's climate and other sustainability-related strategies, plans, developments, targets and goals. The forward-looking strategies, plans, developments, initiatives, estimates, targets and goals described in this Report are not guarantees or promises.

BlackRock cautions that forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and BlackRock assumes no duty to and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

Factors that can cause results to differ, as well as additional factors that can affect forward-looking statements, are discussed in BlackRock's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, accessible on the SEC's website at www.sec.gov and on BlackRock's website at www.blackrock.com. The inclusion of information contained in this Report should not be construed as a characterization regarding the materiality or financial impact of that information.

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Important notes: This document includes non-financial metrics that are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary. The information set forth herein is expressed as of December 2025 and BlackRock reserves the right to update its measurement techniques and methodologies in the future.

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