

**LUX IM – BLACKROCK EUROPEAN EQUITIES (“Sub-fund”)**

**Sustainability-related disclosures required for Article 8 financial products under the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector**

Section	Disclosure
<b>No sustainable investment objective</b>	<p>The Sub-fund is a feeder structure following Art. 77 of the UCI Law. It invests at least 85% of its net assets in shares of BlackRock Global Funds – European Fund (the "Master UCITS"). The Master UCITS is a sub-fund of BlackRock Global Funds, an open-ended investment company with variable capital set forth in a form of an umbrella fund, incorporated in Luxembourg, and authorized as an undertaking for collective investment in transferable securities pursuant to the part I of the UCI Law.</p> <p>The below information refers to environmental and social characteristics pursued by of the Master UCITS.</p> <p>The Master UCITS applies the BlackRock EMEA Baseline Screens with the Fundamental Insights Methodology. This approach seeks to avoid exposures that have negative environmental outcomes by excluding direct investment in issuers that have material involvement in thermal coal and tar sands extraction, as well as thermal coal-based power generation. Negative social outcomes are also avoided by limiting direct investment in issuers involved in controversial weapons and nuclear weapons, and material involvement in production and distribution of civilian firearms and tobacco. The Master UCITS also excludes issuers deemed to have failed to comply with the 10 UN Global Compact Principles, which cover human rights, labour standards, the environment, and anti-corruption.</p> <p>The Master UCITS does not intend to invest in issuers that qualify as sustainable investment in accordance with Article 2 (17) of Regulation (EU) 2019/2088 (“SFDR”).</p> <p>The Master UCITS is not considering the EU criteria for environmentally sustainable economic activities as defined under the EU Taxonomy Regulation to determine the attainment of the sustainable environmental or social characteristics that it promotes.</p>
<b>Environmental or social characteristics of the financial product</b>	<p>The Sub-fund is a feeder structure following Art. 77 of the UCI Law. It invests at least 85% of its net assets in shares of BlackRock Global Funds – European Fund (the "Master UCITS"). The Master UCITS is a sub-fund of BlackRock Global Funds, an open-ended investment company with variable capital set forth in a form of an umbrella fund, incorporated in Luxembourg, and authorized as an undertaking for collective investment in transferable securities pursuant to the part I of the UCI Law.</p> <p>The Master UCITS applies the BlackRock EMEA Baseline Screens with the Fundamental Insights Methodology. This approach seeks to avoid exposures that have negative environmental outcomes by excluding direct investment in issuers that have material involvement in thermal coal and tar sands extraction, as well as thermal coal-based power generation. Negative social outcomes are also avoided by limiting direct investment in issuers involved in controversial weapons and nuclear weapons, and material involvement in production and distribution of civilian firearms and tobacco. The Master UCITS also excludes issuers deemed to have failed to comply with the 10 UN Global Compact Principles, which cover human rights, labour standards, the environment, and anti-corruption.</p> <p>Further information on the criteria for BlackRock EMEA Baseline Screens using Fundamental Insights Methodology can be found by copying and pasting the following link into your web browser: <a href="https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screensin-europemiddleeast-and-africa.pdf">https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screensin-europemiddleeast-and-africa.pdf</a>.</p>
<b>Investment strategy</b>	<p>The Master UCITS invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, Europe. Companies are evaluated by the Investment Manager based on their ability to manage the risks and opportunities associated with ESG factors and their ability to strategically manage longer-term issues surrounding ESG and the potential impact this may have on a company’s financial performance. The Investment Manager conducts enhanced analysis on all companies that it considers to have heightened ESG risks, higher carbon emissions and controversial business activities. To undertake this analysis, the Investment Manager uses its fundamental insights and may use data provided by external ESG data providers and proprietary models. The Master UCITS will apply exclusionary screens, the BlackRock EMEA Baseline Screens, to the companies within the investment universe. The Investment Manager then applies its proprietary “Fundamental Insights” methodology (the “Methodology”, see further detail on <a href="https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screens-ineurope-middleeast-and-africa.pdf">https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screens-ineurope-middleeast-and-africa.pdf</a>) to identify companies that would otherwise have been excluded by the exclusionary screens but that it considers to be appropriate for investment on the basis that they are “in transition” and focused on meeting sustainability criteria over time, or are otherwise meeting other criteria in accordance with the Methodology requirements. The Methodology uses quantitative and qualitative inputs generated by the Investment Manager, its affiliates and/or one or more external research providers. Where a company is identified by the Investment Manager as meeting the criteria in the Methodology for investment and is approved in accordance with the Methodology, it is eligible to be held by the Fund. Such companies are regularly reviewed.</p> <p>The Investment Manager assesses good governance practices of the investee companies by combining proprietary insights and shareholder engagement, with data from external ESG research providers. BlackRock uses data from external ESG research providers to initially identify issuers which may not have satisfactory governance practices in relation to key performance indicators (KPIs) related to sound management structure, employee relations, remuneration of staff and tax compliance. Where issuers are identified as potentially having issues with regards to good governance, the issuers are reviewed to ensure that, where the Investment Manager agrees with this external assessment, the Investment Manager is satisfied that the issuer has either taken remediation actions or will take remedial actions within a reasonable time frame based on the Investment Manager’s direct engagement with the issuer. The Investment Manager may also decide to reduce exposure to such issuers.</p>

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<b>Proportion of investments</b>	<p>The Master UCITS will invest at least 80% of its net assets in investments that are aligned to the promoted environmental and social characteristics. The Sub-fund will be invest at least 85% of its net assets in the Master UCITS. As a consequence the minimum proportion of the Sub-fund's net assets invested in assets aligned to the promoted environmental and social characteristics is 68%. The Sub-fund may invest up to 15% of its net assets in cash for liquidity purposes and derivatives for hedging purposes. The remaining investments of the Master UCITS (“#2 Other”) may be invested in in cash and cash equivalents for liquidity purposes, derivatives, shares of other UCITS and/or UCIs and fixed income transferable securities issued by governments and agencies worldwide. These investments may be used for investment purposes to pursue the Sub-fund's investment objective; for the purpose of liquidity management and/or for hedging. No minimum environmental or social safeguards are applied to these investments.</p> 
<b>Monitoring of environmental or social characteristics</b>	<p>The Investment Manager integrates the proprietary ESG analysis within the investments' selection process, in accordance with the following binding elements:</p> <ol style="list-style-type: none"> <li>1. Apply the BlackRock EMEA Baseline Screens using Fundamental Insights Methodology.</li> </ol>
<b>Methodologies for environmental or social characteristics</b>	<p>BlackRock has adopted the following methodologies in respect of this Fund: 1. The Fund applies the BlackRock EMEA Baseline Screens with the Fundamental Insights methodology. Further details on the BlackRock EMEA Baseline Screens with Fundamental Insights methodology are available at: <a href="https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screens-in-europe-middleeast-and-africa.pdf">https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screens-in-europe-middleeast-and-africa.pdf</a></p>
<b>Data sources and processing</b>	<p>The Investment Manager have access to research, data, tools, and analytics to integrate ESG insights into their investment process. ESG datasets are sourced from external third-party data providers. BlackRock applies a comprehensive due diligence process to evaluate provider offerings with highly targeted methodology reviews and coverage assessments based on the sustainable investment strategy of the product. Data, including ESG data, received through our existing interfaces, and then processed through a series of quality control and completeness checks which seeks to ensure that data is high-quality data before being made available for use downstream within BlackRock systems and applications. BlackRock strives to capture as much reported data from companies via 3rd party data providers as practicable, however, industry standards around disclosure frameworks are still evolving, particularly with respect to forward looking indicators. As a result, in certain cases we rely on estimated or proxy measures from data providers to cover our broad investible universe of issuers.</p>
<b>Limitations to methodologies and data</b>	<p>The limitations to the attainment of the promoted environmental and social characteristics are deemed non-material, for the attainment of the environmental or social characteristics promoted by the Sub-fund.</p>
<b>Due Diligence</b>	<p>In order to qualify for initial investment, the investments must comply with the binding elements applied by the Sub-fund. This compliance has to be ensured by the Investment Manager through pre-trade compliance mechanism in place.</p>
<b>Engagement Policies</b>	<p>This section is not applicable, as the Sub-fund is not deploying an ESG engagement strategy for the attainment of the promoted environmental or social characteristics..</p>
<b>Designated reference benchmark</b>	<p>No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.</p>