

LUX IM – BLACKROCK EURO CORPORATE INVESTMENT GRADE BOND (“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 (“SFDR”)**

Section	Disclosure
No sustainable investment objective	<p>The Sub-fund promotes environmental or social characteristics but does not have as its objective sustainable investment. The Sub-fund invests at least 20% of its holdings in sustainable investments in pursuit of its investment objective. All sustainable investments will be assessed by the Investment Manager to comply with BlackRock’s DNSH standard. The Sub-fund invests in sustainable investments which contribute to a range of environmental and / or social objectives which may include but are not limited to, alternative and renewable energy, energy efficiency, pollution prevention or mitigation, reuse and recycling, health, nutrition, sanitation and education and the UN Sustainable Development Goals (“Environmental and Social Objectives”). An investment will be assessed as contributing to an Environmental and/or Social Objective where: a) minimum proportion of the issuer’s business activity contributes to an Environmental and/or Social Objective; or b) the issuer’s business practices contribute to an Environmental and/or Social Objective; or c) the use of proceeds is assessed as contributing to an Environmental and/or Social Objective such as green bonds, social bonds, and sustainability bonds; or d) the fixed income securities are aligned with an Environmental and/or Social Objective.</p> <p>Sustainable Investments meet the DNSH requirements, as defined by applicable law and regulation. BlackRock has developed a set of criteria across all Sustainable Investments to assess whether an issuer or investment does significant harm.</p>
Environmental or social characteristics of the financial product	<p>The Sub-fund seeks to address key environmental and social issues that are deemed to be relevant to the issuers’ businesses using ESG scores provided by a reputable external ESG data provider and ranging from AAA (best score) to CCC (worst score) as a means of assessing issuers’ exposure to and management of those risks and opportunities. The ESG scores are applied to direct securities only. The following environmental themes are captured in the environmental component of the ESG score: climate change, natural capital, pollution and waste and environmental opportunities. The following social themes are captured in the social component of the ESG score: human capital, product liability, stakeholder opposition and social opportunities.</p> <p>The Sub-fund will also apply additional ESG criteria aimed to measure involvement in controversies. The Investment Manager may use other data providers and criteria to assess the ESG credentials and suitability of securitised assets such as ABS and MBS.</p> <p>The Sub-fund applies the BlackRock EMEA Baseline Screens. This set of screens avoids 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.</p>
Investment strategy	<p>The investment objective of the Sub-fund is to maximise total return through a combination of capital growth and income over the long term. This objective will be effected through a diversified portfolio of debt securities which comply with Environmental, Social and Governance (“ESG”) criteria.</p> <p>The Sub-fund is actively managed, and the asset allocation will be dynamically adjusted based on the investment manager’s ongoing analysis of the target issuers’, amongst the fixed income asset class.</p> <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"> 1. Maintain that the Sub-fund holds at least 20% in Sustainable Investments. 2. Apply the BlackRock EMEA Baseline Screens and exclusionary screens. 3. Enhancing exposure to investments that are deemed to have associated positive externalities, compared to the Sub-fund’s ESG Reporting Index while limiting investments that are deemed to have associated negative externalities. 4. Ensure that more than 90% of the issuers of securities in which the Sub-fund invests (excluding money market funds) shall be ESG rated or have been analysed for ESG purposes. <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.</p>
Proportion of investments	<p>A minimum of 80% of the Sub-fund’s total assets will be invested in investments that are aligned with the environmental and/or social characteristics described above (#1 Aligned with E/S characteristics). Of these investments, a minimum of 20% of the Sub-fund’s total assets will be invested in Sustainable Investments (#1A Sustainable), and the remainder will be invested in investments aligned with other environmental and/or social characteristics described above (#1B Other E/S characteristics). The remaining investments of the Sub-fund (“#2 Other”) may be invested 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>

Section	Disclosure
	<pre> graph LR Investments --> N1["#1 Aligned with E/S characteristics Min 80%"] Investments --> N2["#2 Other Max. 20%"] N1 --> N1A["#1A Sustainable Min. 20%"] N1 --> N1B["#1B Other E/S characteristics"] N1A --> N1A1["Other environmental"] N1A --> N1A2["Social"] </pre>
Monitoring of environmental or social characteristics	BlackRock has developed a highly automated compliance process to help ensure that the Sub-fund is managed in accordance with its stated investment guidelines and applicable regulatory requirements. This includes monitoring of the environmental or social characteristics of the Sub-fund in accordance with its relevant methodology. The Sub-fund’s Management Company will oversee the information provided by the Investment Manager and ensures that the ESG compliance of the Sub-fund is met.
Methodologies for environmental or social characteristics	The methodologies for assessing sustainable investments are defined in the above sections “No sustainable investment objective” and “Investment strategy”. In order to attain the promoted environmental and social characteristics, the eligibility of target issuers is assessed based on negative screening, application of BlackRock EMEA Baseline Screens, positive screening procedures (ESG scoring and proprietary methodology to assess investments based on the extent to which they are associated with positive or negative externalities), and consideration of principal adverse impacts.
Data sources and processing	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. These datasets may include headline ESG scores, carbon emissions data, business involvement metrics or controversies and have been incorporated into tools that are available to Portfolio Managers and employed in investment strategies. Such tools support the full investment process, from research, to portfolio construction and modelling, to reporting. The Investment Manager applies a comprehensive due diligence process to evaluate provider offerings with highly targeted methodology reviews and coverage assessments based on the sustainable investment strategy (and the environmental and social characteristics or sustainable objective) of the product. The process entails both qualitative and quantitative analysis to assess the suitability of data products in line with regulatory standards as applicable.
Limitations to methodologies and data	ESG data sets are constantly changing and improving as disclosure standards, regulatory frameworks and industry practice evolve. The Investment Manager continues to work with a broad range of market participants to improve data quality. 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.
Due Diligence	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.
Engagement Policies	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.
Designated reference benchmark	No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.