We are an asset manager whose mission is to create better financial futures for our clients and the people they serve. We aspire to be an industry leader in how we incorporate sustainability into our investment processes across the Firm, our stewardship of our clients’ assets, the sustainable investment solutions we offer to our clients, and the operations and learning of our own business.

A company's ability to manage environmental, social, and governance matters demonstrates the leadership and good governance that is so essential to sustainable growth, which is why we are increasingly integrating these issues into our investment process” -Larry Fink, 2018 Letter to CEOs

1.0 Sustainable Investing at BlackRock Real Assets

BlackRock Real Assets recognizes the environmental, social and economic impacts of our investments. We are committed to managing these impacts in a compliant and responsible manner and to offering sustainable investing solutions to our clients. We believe that a robust, integrated approach to sustainable investing is essential in preserving and enhancing the value of our assets throughout their investment lifecycle. Given the long term and physical nature of our real assets investments, we consider effective environmental, social and corporate governance (ESG) assessment and management to be a fundamental component of risk management.

2.0 Purpose of the Policy

The purpose of this Policy is to:

i. Define and outline BlackRock Real Assets’ position on sustainable investing, including ESG integration across our real estate and infrastructure investments and related activities;

ii. Provide our employees with guidelines on how sustainable investing principles, including ESG considerations, can be further embedded into our business; and

iii. Communicate to our key stakeholders our approach to sustainable investing.

3.0 Policy Scope

This Policy applies to all of our Real Assets employees, business activities and investments across our global Real Assets platform.

4.0 Our Approach to Sustainable Investing

4.1 Our Sustainable Investing Philosophy and Principles

BlackRock Real Assets is committed to deploying our capital and expertise in a responsible manner. This means that ESG factors are evaluated in tandem with wider investment criteria, such as financial performance, and form a critical component of our decision making processes.

We recognize that the nature of our real estate and infrastructure investments will vary considerably. Consequently, our objective is to provide a framework for assessment that is sufficiently comprehensive,
yet also flexible, to enable consideration of key issues, which may differ from investment to investment, and elevate them as appropriate to senior management.

Our approach to sustainable investing is underpinned by the following five principles:

- **Fully Embed**
  A commitment to fully embed sustainable investing principles, where possible, across all of our investment practices including, but not limited to, investment screening, investment decision-making, asset management, client reporting, occupier engagement and community engagement.

- **Mitigate Risk and Maximize Opportunities**
  A conviction that such an approach is at the core of sound risk management and can have a material impact on financial performance. We also recognize that sustainable investing can represent an opportunity to deliver enhanced returns.

- **Materiality**
  Understanding that the materiality of specific ESG issues can vary significantly between investments, given the variance in asset-level characteristics, geographic locations and contractual and third-party arrangements.

- **Compliance and Continual Improvement**
  Compliance with relevant legislation and regulation, and targeting industry best practice, together with a commitment to continual improvement in sustainability performance across our business.

- **Transparency and Disclosure**
  A recognition of the importance of transparency with key stakeholders such as our clients. As part of this, BlackRock Real Assets is a full member of the Global Real Estate Sustainability Benchmark (GRESB). Where appropriate, we submit our real estate and infrastructure portfolios into GRESB and disclose our results, including key outputs, scores and peer rankings, to investors.

  Should any ESG incidents occur that are considered to be material, the appropriate business unit will consider the processes to be followed in line with BlackRock Real Assets escalation procedures and BlackRock’s Global Operating Event Policy.

### 4.2 ESG Factors Integration in our Investment Process

When evaluating investments, ESG risks and opportunities, which may have a material impact throughout the investment life-cycle, are fully considered alongside traditional investment approaches by the investment management team. Examples of ESG considerations that may be factored into our investment processes include, but are not limited to:

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<tr>
<th>Environmental</th>
<th>Social</th>
<th>Governance</th>
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<tr>
<td>• Local Environment</td>
<td>• Labor Management</td>
<td>• Governance Structure</td>
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<td>• Pollution Risks</td>
<td>• Health and Safety</td>
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<td>• Climate Risks</td>
<td>• Local Communities</td>
<td>• Regulation and Compliance</td>
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<td>• Climate Resilience</td>
<td>• Occupiers and Users</td>
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<td>• Energy Use and Supply</td>
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<td>• Waste Management</td>
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<td>• Local Biodiversity</td>
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While taking into account the varying nature of our investments, our approach to integrating ESG within our investment processes is outlined below:
Sourcing and Screening

- Initial ESG assessments are performed to try to identify any ESG “deal breakers” or issues requiring more extensive due diligence.
- Analysis helps inform decisions on whether to progress the investment opportunity or not.
- This may include activities such as desktop reviews of key project documentation, including planning permission conditions and Environmental Impact Assessments. For greenfield projects, ESG considerations are factored into the design process and project planning.

Due Diligence

- ESG risk assessments are undertaken for all new investments. This may include the use of proprietary ESG Questionnaires, reviews from external consultants and site visits.
- We aim to identify and quantify the financial impacts of material ESG risks and integrate these into valuation models as appropriate.
- This may include the identification of the counterparty who we believe is best placed to manage the relevant ESG risk, and due diligence on the lead sponsor when we are investing as a debt provider.

Investment Committee Approval

- Material ESG risks and opportunities are recorded throughout the investment process and, where appropriate, discussed with the relevant Investment Committee (IC).
- Recommendations will be made using a reasonable and considered professional judgment based on the information and data available.
- BlackRock Real Assets will not invest if the relevant IC determines that any ESG risks cannot be sufficiently quantified or mitigated.

Asset Ownership

- As an equity investor we place a strong emphasis on active ownership and asset management, which often includes BlackRock Board representation.
- Asset-level day-to-day activities are managed by suitably qualified third-party operators or property managers.
- Where commercially reasonable, we seek to incorporate the necessary undertakings in our asset management documentation to contractually oblige our asset managers, property managers and third party vendors to operate in line with relevant ESG requirements and good industry practice.

Measurement and Monitoring

- We establish, where appropriate, ESG key performance indicators to assist in ongoing risk management and help drive continual improvements in our ESG performance.
- Where possible, we also aim to measure and monitor the environmental impacts associated with our investments.
- Where appropriate, we include ESG information in our client reporting.
4.3 ESG Integration for Global Real Asset Securities

Risk-return profiles, the degree of transparency and availability of data can differ substantially between investments in listed real asset securities and investments in private real assets. As such, there are additional nuances when considering ESG integration in the investment process for our actively managed listed real assets strategies.

Within our listed real assets business, ESG matters are considered within the stock selection process through application of our proprietary ESG scoring model. ESG risks are part of our multi-factor model used to derive the cost of equity for each security within our listed real assets universe. We strive for a globally consistent, robust and systematic ESG assessment in our investment decision process, applying quantitative metrics in our ESG model with a qualitative overlay. We systematically incorporate external data as well as our own research around ESG issues, and our proprietary ESG analysis framework has a strong focus on materiality of data. Furthermore, our approach often includes meetings with company management, interaction with BlackRock’s internal Investment Stewardship team, proxy voting, site visits, and reviews of sustainability reports to keep our proprietary ESG scoring model as robust and relevant as possible.

5.0 The United Nations Principles for Responsible Investment (UN PRI)

To advance our approach to sustainable investing, BlackRock Real Assets align our own investing principles with those of the United Nations Principles for Responsible Investment (UN PRI).

BlackRock became a signatory to the UN PRI in 2008 and is an active proponent of best practice in relation to environmental, social and governance issues as they pertain to the economic interest of investors. As institutional investors we have a fiduciary duty to act in the best long-term interests of our beneficiaries. We also recognize that applying these Principles may better align our clients and the people they serve with the broader objectives of society.

Therefore, where consistent with our own fiduciary responsibilities, we commit to the following six principles:

1) We will incorporate ESG issues into investment analysis and decision-making processes.
2) We will be active owners and incorporate ESG issues into our ownership policies and practices.
3) We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4) We will promote acceptance and implementation of the Principles within the investment industry.
5) We will work together to enhance our effectiveness in implementing the Principles.
6) We will each report on our activities and progress towards implementing the Principles.

Signatories to the UN PRI are required to report on an annual basis progress in meeting these objectives. As part of BlackRock’s signatory requirements, BlackRock Real Assets publically reports on our Infrastructure and Real Estate investments within the UN PRI annual reporting process.
6.0 Policy Communication and Engagement

We communicate this Policy to all Real Asset employees and, upon request, share with our clients, investment partners, and other key stakeholders in an accurate and transparent manner.

The Real Assets Sustainable Investing team proactively engages with investment professionals across Real Assets to support the implementation of this policy, raise awareness and understanding of our ESG impacts and management methods, and encourage knowledge sharing and continual best practice.

BlackRock also employs dedicated sustainable investing resources across the Firm. The Real Assets Sustainable Investing Team proactively engages with these teams to share knowledge and coordinate the implementation of best practice. This includes working with the firm-level BlackRock Sustainable Investing team and the Investment Stewardship team.

We also regularly engage with the global investment and corporate community with a view to promoting best practice and advancing our approach to real assets sustainable investing. This includes working closely with the United Nations Principles for Responsible Investment (UN PRI), the Global Real Estate Sustainability Benchmark (GRESB) and broad range of other leading industry bodies.

7.0 Policy Implementation

All BlackRock Real Assets employees across our global operating platform have a responsibility to understand and implement this Policy. To facilitate this implementation, BlackRock Real Assets provides training and guidance as appropriate.

Overall responsibility for the implementation of this Policy lies with the Global Head of BlackRock Real Assets, who holds executive level responsibility for our sustainable investing management, objectives and performance. He is supported by the Global Head of BlackRock Real Assets Sustainable Investing and the Real Assets Sustainability Manager who have responsibility for the day-to-day implementation of this Policy. They are also responsible for the continuous evolution of the BlackRock Real Assets Sustainable Investing Strategy.

8.0 Review of this Policy

This Policy will be regularly reviewed to confirm it remains effective for BlackRock Real Assets and continues to align with BlackRock’s wider sustainable investing objectives. It is subject to revision by the Global Head of BlackRock Real Assets Sustainable Investing and the Real Assets Sustainability Manager where necessary or appropriate.

9.0 Policy Sign-off

Jim Barry, Global Head of BlackRock Real Assets

Teresa O’Flynn, Global Head of BlackRock Real Assets Sustainable Investing