

# IST3 INFRASTRUCTURE DEBT USD

## IST Portfolio

Portfolio Manager	Blackrock
ESG Rating <sup>1</sup>	Not available
SFDR Category <sup>2</sup>	Not applicable
Private Market Portfolio	Infrastructure Debt

<sup>1</sup> MSCI ESG Report: [www.msci.com](http://www.msci.com)

<sup>2</sup> SFDR: The Sustainable Finance Disclosure Regulation is a European regulation introduced to improve transparency in the market for sustainable investment products. <https://www.eurosif.org/policies/sfdr/>

### Portfolio diversification

Chart 1: Sector

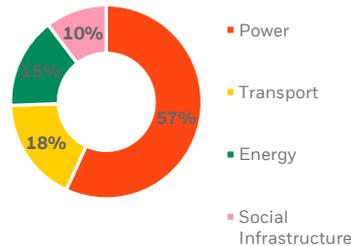
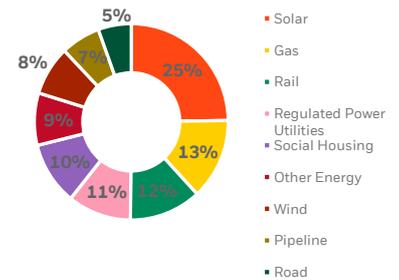


Chart 2: Sub-sector



## Applied ESG Approaches

### Exclusion



**Yes.** IST exclusion list and process is applied in addition to the portfolio manager's own exclusion list:

Composition of IST exclusion list			
SVVK-ASIR	THEMATIC / SECTOR EXCLUSION	COUNTRY EXCLUSIONS	ENGAGEMENT / VIOLATIONS OF NORMS
<ul style="list-style-type: none"> <li>- Nuclear weapons</li> <li>- Cluster munitions and anti-personnel mines</li> </ul>	<ul style="list-style-type: none"> <li>- Coal mining and power generation (turnover &gt; 25%)</li> </ul>	<ul style="list-style-type: none"> <li>- UN Security Council Arms Embargo</li> <li>- OFAC</li> <li>- Swiss sanctions</li> </ul>	<ul style="list-style-type: none"> <li>- Exclusion of non-cooperative companies</li> <li>- Violation of internationally acceptable standards</li> </ul>

Source: <https://istfunds.ch/en/esg-ist/>

### Proxy Voting

**Not applicable**

### Engagement

**Not applicable**

### ESG Integration



**Yes.** Material ESG data and insights alongside traditional financial information are considered by investment analysts.

### Best-in-Class

**Not applicable**

### Thematic/ Impact Investing

**Not applicable**

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## Portfolio manager: Blackrock

### Facts & figures

Assets under management	USD 10'000 bn
Whereof in sustainable investment strategies	USD 486 bn
Number of inv. profess.	2'593
Whereof dedicated to ESG	40
Signatory to UNPRI	Yes
UNPRI rating	A+ (Strategy & Governance)

#### Memberships (selection only):

- Carbon Disclosure Project (CDP)
- Climate Action 100+
- Net Zero Asset Manager Initiative (NZAMI)
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate-related Financial Disclosures (TCFD)
- World Economic Forum's Future of Energy Council
- Global Impact Investing Network (GIIN)

### Consultant/ Partnerships

- ESG consultants are not used, but several data providers (MSCI, Sustainalytics, ISS, Refinitiv, Clarity AI)

### Carbon Strategy

Carbon footprint is being measures since 2014. Blackrock's operations are carbon neutral since 2020.

### Voting Activity

Yes, Investment Stewardship report 2021 is available <https://www.blackrock.com/corporate/literature/publication/annual-stewardship-report-2021.pdf>

### Engagement

Yes. Investment Stewardship report 2021 is available <https://www.blackrock.com/corporate/literature/publication/annual-stewardship-report-2021.pdf>

### ESG Integration in the investment process

ESG integration is a core part of the investment process across our Infrastructure Debt strategies and, as with all other components of the investment process, is the responsibility of the investment team. When evaluating any 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.

Our approach to integrating ESG within our investment process is outlined below:

<b>Sourcing and screening</b>	<ul style="list-style-type: none"> <li>• Initial ESG assessments are performed to try to identify any ESG "deal breakers" or any issues that require more extensive due diligence.</li> <li>• Analysis helps inform decisions on whether to progress the investment opportunity or not.</li> <li>• Analysis may include desktop reviews of key project documents, such as planning permission conditions and Environmental Impact Assessments.</li> <li>• For greenfield projects, ESG considerations are factored into the design process and project planning.</li> </ul>
<b>Due diligence</b>	<ul style="list-style-type: none"> <li>• ESG risk assessments are undertaken for all new investments. This includes the use of proprietary ESG Questionnaire toolkits. It may also include reviews from external consultants and site visits.</li> <li>• We aim to identify and quantify the financial impacts of material ESG risks and integrate these into valuation models as appropriate.</li> <li>• This may include the identification of the counterparty who we believe is best placed to manage any relevant ESG risks, and due diligence on the lead sponsor when investing as a debt provider.</li> </ul>
<b>Investment committee approval</b>	<ul style="list-style-type: none"> <li>• Material ESG risks and opportunities are documented throughout the investment process and, where appropriate, discussed with the relevant Investment Committee.</li> <li>• Recommendations will be made using a reasonable and considered professional judgment based on the information and data available.</li> <li>• BlackRock Real Assets will not invest if the relevant Investment Committee determines that any ESG risks cannot be sufficiently quantified or mitigated.</li> </ul>
<b>Measurement and monitoring</b>	<ul style="list-style-type: none"> <li>• We establish, where appropriate, ESG key performance indicators to assist in ongoing risk management and help drive continual improvements in our ESG performance.</li> <li>• We also aim to measure and monitor the environmental performance and impacts associated with our investments.</li> <li>• Where appropriate, we include ESG updates and information in our client reporting.</li> </ul>

### Next steps and further developments

Blackrock joined the Net Zero Asset Managers Initiative (NZAMI) and is committed to become net zero by 2050 to limit the global temperature rise (i.e. well below 2°C).