

BlackRock Private Markets

BlackRock Impact Opportunities

**Annual Impact Report
2023/2024**

BlackRock



Section 1

Our journey

Opening letter	5
Year in review	8
Meet the team	20

Section 2

Our strategy

How we invest	23
DEI strategy	32
Partnerships and industry engagement	35

Section 3

Our impact

Impact doorways	39
New investments	45
Year in pictures	56
Impact risks	63

Endnotes

65



Chapter title

Section title

Our strategy | Partnerships and industry engagement



Back to main contents



Back to top of chapter

Page navigation

Use the symbols on each page to navigate through the document.



Scroll down the screen like a webpage



Our journey



Dear Partners,

We are excited to share our second annual impact report with you.



BlackRock's purpose is to help more and more people experience financial well-being.

BlackRock Impact Opportunities (BIO) seeks to unlock economic mobility in undercapitalized communities that continue to face barriers to wealth creation, limiting their potential for economic growth.¹ The strategy invests to improve socio-economic outcomes while generating attractive risk-adjusted returns, by focusing on investment themes that are drivers for economic mobility and wealth generation. Our vision is to showcase that undercapitalization represents a significant, overlooked investment opportunity – an opportunity that can both scale the growth of high-potential companies and promote socio-economic progress on behalf of our investors.

As we present our second annual impact report, we reflect on our journey. Our conviction in the investment opportunity is stronger than ever. Since inception in 2021, we have evaluated over 900 opportunities and committed over \$600M of capital to 12 investments. These companies are diversified across sectors, geographies, asset classes and impact themes, all representing strong proof points of our core investment thesis.

These investments support a variety of solutions such as expanding access to affordable and reliable power, improving access to quality pediatric dental care, to delivering high-speed broadband to underserved rural households. These solutions often require a rare combination of vision, innovation and extraordinary commitment by exceptional leaders in order to scale. The reach of BIO's investments extends well beyond the boardroom,

providing essential services to communities across the United States, which we believe can help drive positive economic outcomes.

Reflecting on our journey, we are proud of the results BIO has been able to achieve and are grateful for the lessons learned:

1. The opportunity is even larger than we anticipated

The BIO team is more confident than ever in the large and growing investable universe. Undercapitalization continues to impede economic mobility for communities and unlocking this latent growth in our view presents opportunities to generate alpha. We have demonstrated that compelling investment opportunities exist to promote economic mobility;

from investments that provide services to low-income communities and critical infrastructure for rural households, to backing Minority Women or Veteran-Owned Business Enterprises (MWVBEs).

We have found that the most attractive opportunities have predominantly been in private equity and equity-oriented structures, which represent more than half of our pipeline. These opportunities consistently present the most attractive risk-adjusted return profiles, providing additional alpha for investors alongside delivering durable social impact returns.

2. A focus on value creation

Successfully achieving both financial and social impact objectives requires active management and leveraging the full toolkit of resources available to an investor: capital, relationships, capacity building and subject matter expertise. The BIO team continues to focus on bringing institutional-quality strategic, operational and financial expertise

to our portfolio companies, with the objective of building resiliency and durable growth.

BIO brings the full breadth of the BlackRock platform and our networks to support our portfolio management teams in assessing go-to-market strategies, optimizing core business operations, expanding financing and supply chain relationships, refining talent and compensation plans, among other initiatives. We continue to invest in our team and value creation capabilities to further enhance our ability to support our portfolio companies through ever changing market environments. We aim to bring to bear the full depth and scale of the BlackRock platform as a service to our portfolio companies to enhance value creation.

3. The power of partnerships

We are not doing this alone. The BIO team has fostered strong partnerships to help catalyze further private funding in order to bridge the capital gap and deliver impact in line with our investment goals. BIO is proud

to be working alongside several large insurers, corporations, pension funds, family offices, prominent foundations and other investors with strong, existing track records in impact investing and a shared commitment to a better future.

Our North Star has never been clearer. BIO remains committed to scaling investments that generate financial returns and positive economic outcomes for undercapitalized communities, and the team is ever more compelled by the journey ahead.

We are only getting started, and we invite you to join us.

**Sincerely,
The BIO Team**



Year in review²

The past year was filled with exciting milestones for BIO and our ecosystem of portfolio companies and partners.



Sourcing

We continue to see robust deal flow of compelling opportunities that present attractive risk-adjusted return profiles. Our intentional sourcing efforts have rendered over 900 opportunities since inception, out of which we have made 12 investments (a ~1% selectivity rate).



New deployment

Since our last report, we have invested over \$300M in five new investments across digital connectivity, health & wellness, and the inclusive transition to a low-carbon economy.



Resilience

Despite a challenging macroeconomic environment, our portfolio companies showed remarkable resilience. They have achieved a 25% average annual revenue growth in FY2023 and scaled their financial, strategic, and operational milestones.



Impact reach

Our portfolio now serves a broader range of communities, including rural and Native populations. We additionally successfully deployed against 2 new primary impact themes (digital connectivity, inclusive transition) and 6 additional UN SDGs.



Team

To support our growing portfolio, and in recognition of the exciting opportunity set ahead, we grew our team to 18 dedicated members supported by the full expertise, scale, convening power of the broader BlackRock platform.



Ecosystem

Through conferences, sponsorships, and workshops, we are proud to enable thought leadership and facilitate collaboration between mission-aligned partners focused on amplifying the impact of our work.



\$632M
of capital invested

12

investments in portfolio

5

new investments

Accelerating growth of high potential companies and projects

\$5.0Bn

2023 combined revenue

153%

average YoY revenue growth



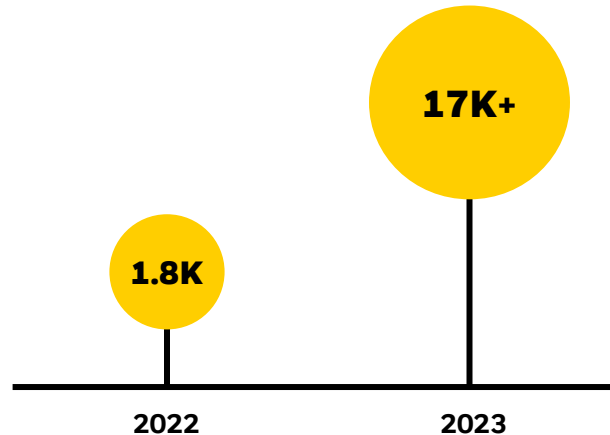
Supporting exemplary entrepreneurs, management teams, and workforce

17,000+

Employees at portfolio companies

87%+

Employee diversity at companies*



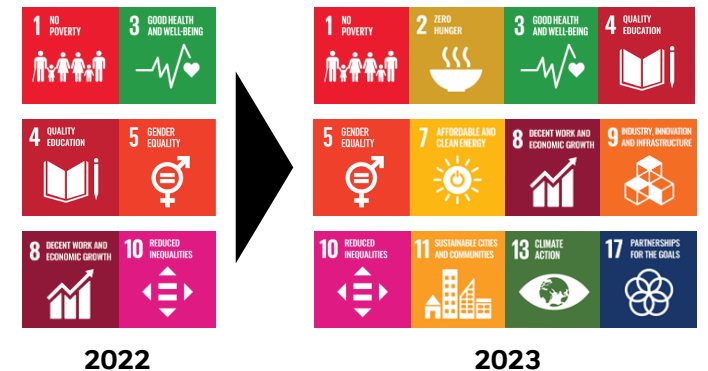
Enabling access for undercapitalized communities

7

Impact themes

12

UN SDGs represented



Note: Financial Information as of December 31st, 2023. Revenue growth represents average topline growth in portfolio companies with revenue >\$0.

Percentage of the employees at our portfolio companies that identify as Black or African American, Hispanic/Latinx, Asian or Pacific Islander, Middle Eastern or North African, Native American or Alaska Native or Native Hawaiian or Multiracial. Data as of January 1st, 2024.



Portfolio investments



Q3 2021

Auto finance and retail

Financial inclusion

Doorway 2



Q1 2022

Multifamily real estate

Housing and diverse developers

Doorway 1



Q2 2022

Consumer retail

Health and wellness

Doorway 1 & 2



Q2 2022

Multifamily real estate

Housing and diverse developers

Doorway 1



Q3 2022

Industrials

Financial inclusion

Doorway 1 & 2



Q3 2022

Early childhood education

Education and workforce development

Doorway 1 & 2



Q4 2022

Media and entertainment

Inclusive media

Doorway 1 & 2



Q2 2023

Renewable energy

Inclusive transition

Doorway 1 & 2





**HERITAGE
GROCCERS
GROUP**

Q3 2023

Grocery retail

Health & wellness

Doorway 1 & 2



Q4 2023

Healthcare

Health & wellness

Doorway 2



Q4 2023

Telecommunications

Digital connectivity

Doorway 2



Q1 2024

Renewable energy

Inclusive transition

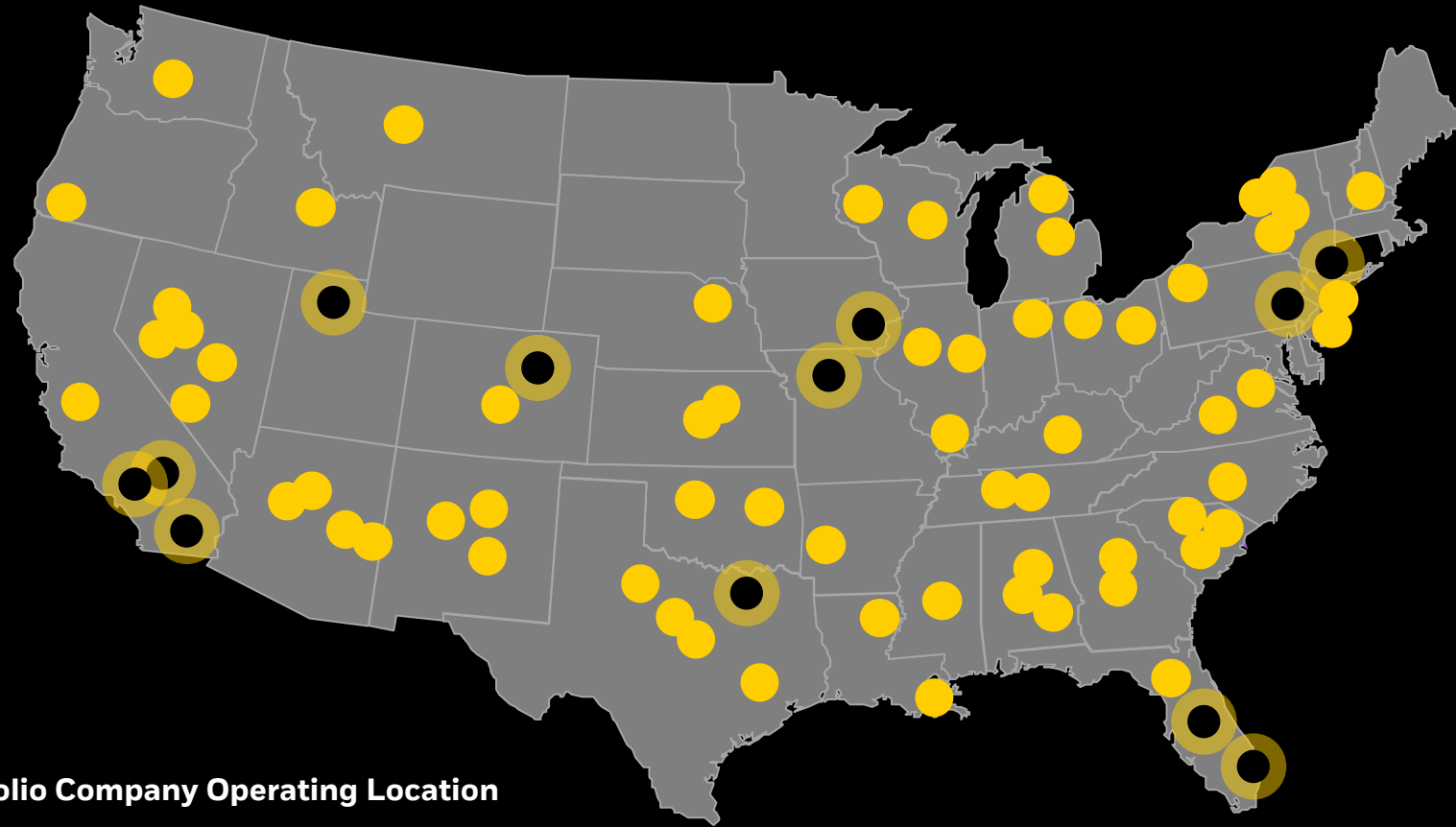
Doorway 2



New Investment since last report. As of June 30, 2024

Doorway 1: Diverse Founded/Owned/Managed, Doorway 2: Serving Underserved Communities.

Geographic diversification with an intention to invest between the US coasts



- Portfolio Company Operating Location
- Portfolio Company HQ

As of June 30, 2024

12

Investments

39

States of operation

200+

Cities & towns with portfolio company presence

17K+

Quality jobs supported across the country



Investment highlights³

In the past year, BIO portfolio companies have achieved measurable impact in undercapitalized communities. These companies...



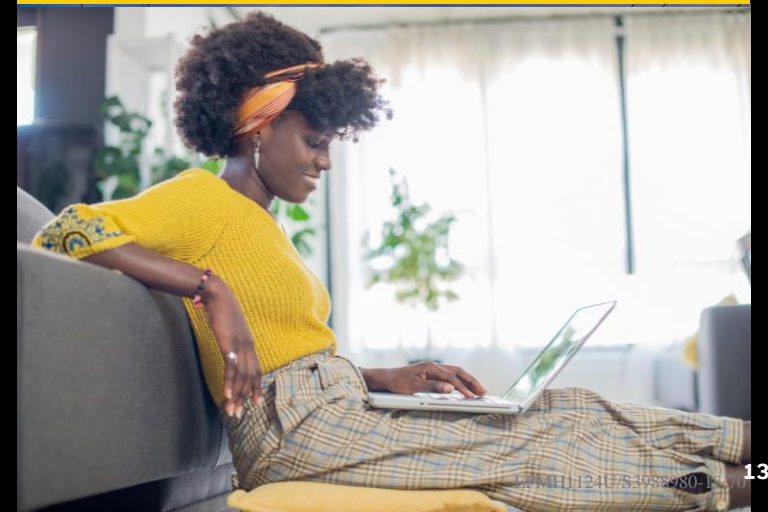
Provided fresh, high-quality nutrition options at an affordable price through operating

100+ supermarkets in low-income communities



Provided high-speed broadband internet connectivity to

270,000+ households in rural communities





Provided underbanked and under-credited Hispanic consumers

\$835M+ in low-cost financing, enabling the purchase of 33,000+ vehicles



Provided essential dental care to low-income children across

536,000+ dental office visits



Installed 24 MW+ of solar energy generation capacity

across utility scale and residential projects supporting undercapitalized communities



Delivered affordable, high-quality early education curricula and programming to

1.3M+ children



Provided 33,000+ individuals

with access to affordable, community-centered fitness in 13 newly developed state-of-the-art fitness clubs



Developing 97 TV/film projects

centered around diverse narratives and actors, or led by diverse writers, directors, showrunners and/or producers





In addition to delivering impact, BIO portfolio companies have reached critical growth milestones on their journey to scale.



Retro Fitness

opened 13 new clubs in **Dallas, TX**, **Long Island, NY**, and **Southeast Florida** featuring state-of-the-art exercise equipment and fitness facilities

Acelero

completed the **strategic acquisition** of a publisher of curriculum-based assessment tools, enhancing its data-driven product suite to accelerate learning outcomes



Tricolor Auto Group

issued **two more Social Bonds** to support physical mobility and expand financial inclusion in underserved Hispanic communities



MACRO

founder and CEO, Charles D. King, made history as the **first Black producer to accept the PGA Milestone Award** for his immeasurable contribution to the film industry

Indian Energy

made history as the **first recipient of financing from the U.S. Department of Energy's \$20Bn Tribal Energy Financing Program** for its landmark utility-scale solar microgrid and battery storage project on tribal lands



Lone Peak Dental Group

completed **3 strategic acquisitions to add 6 clinics** and expand access to quality dental care across Ohio, Tennessee, and Maryland



Heritage Grocers Group

opened **3 new stores in Las Vegas, NV, Schaumburg, IL, and Dallas, TX**, providing healthy food options to previously underserved Hispanic communities

Conexon

partnered with five Florida electric cooperatives to collectively **secure \$56M in government funding awards** to deploy multi-gigabit-capable fiber-to-the-home (FTTH) networks in rural communities across the state



Synergy

was certified as a minority business enterprise and acquired Opifex Enterprises to **become the 9th largest general equipment rental company** in the United States



Arboretum

celebrated the **grand opening** of phase one of the new housing development alongside elected officials and local civic leaders

IGS Energy

launched its second grant fund, the **Clean Energy for Everyone Grant Program**, to support nonprofit organizations in increasing equitable access to solar energy and creating jobs in the solar industry





Meet the team

CIO & Head of BIO



Ladell Robbins

Managing Director
Chief Investment Officer & Head of BIO

Investment & Portfolio Management



Joseph Acevedo
Managing Director
Co-Head of Portfolio Mgmt.



Aarthi Sowrirajan
Managing Director
Co-Head of Portfolio Mgmt.



Derrick Weatherspoon
Director



Karega Butler
Director



Brian Mwarania
Director



Andrea Mayorca
Director



Susie Qian
Vice President



Lionel Detchou
Associate



Divya Wodon
Associate



Nicola Lichauco
Associate



Carlton Burrell
Associate



Steven Pelaez
Associate

Product Strategy & Investor Relations



Brian Grossman
Managing Director
Head of Business
Development &
Product Strategy



Diana Yang
Director



Shen Zhou
Analyst

Operations



Matthew Widham
Managing Director
Chief Operating Officer



Kebu Mzwinila
Associate

We are all in

At BlackRock, our commitment extends beyond serving our clients to also supporting the communities where we operate. As investors, fiduciaries, and members of society, we believe it is our duty to combine our investment expertise with this focus to generate long-term prosperity.





Our strategy



Sourcing & Screening
Financial Underwriting
Impact Underwriting
Value Creation

How we invest

BIO is BlackRock’s flagship social impact investment platform, enabling clients to invest in private market opportunities that accelerate positive economic outcomes for undercapitalized communities. We combine the investment expertise, scale, and convening power of the BlackRock platform with our intentional and focused impact objective to accelerate the growth of high potential companies and projects at scale. BIO draws support from a firmwide network of 5,000+ investment professionals, a global footprint spanning 38 countries, and 35+ years of investing experience.⁴

BIO employs a rigorous underwriting process intended to identify superior investment opportunities that can deliver attractive risk-adjusted returns while driving meaningful socio-economic change. Every potential BIO investment keeps impact at the center of the investment process while being subject to the same financial, commercial and legal underwriting as all other non-impact investments made by BlackRock-managed funds. This integrated process enables the team to build foundationally strong businesses that can create lasting, sustainable impact on communities well beyond our investment horizon.

Since inception, the BIO team has reviewed over 900 opportunities and deployed over \$600M across twelve investments, building a strong cohort of business leaders and businesses focused on accelerating outcomes in undercapitalized communities.

Combining the broadest possible sourcing channels with an intentional effort to uncover unique opportunities

BIO takes a multi-channel approach to sourcing high-quality investment opportunities both within and beyond the scope of traditional investment networks. By engaging industry experts and mission-aligned stakeholders, BIO gains access to a large pipeline of proprietary deal flow that enables the team to be highly selective.

Proprietary Relationships

BIO leverages the global network of its dedicated investment team, senior BlackRock executives, the BlackRock board, and the broader firmwide network to generate proprietary investment opportunities within our communities of focus.

Significant Inbound Flow

Given our differentiated investment strategy, several companies seek BIO out as a preferred partner when they launch their capital raising efforts as they look for a partner that can provide capital as well as additional value additive support.

BlackRock Private Markets Platform

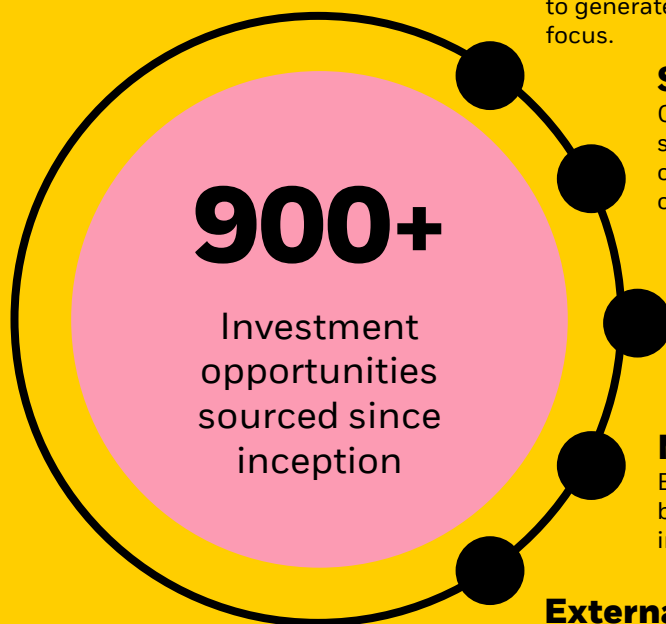
BlackRock sources investments across ~1,000 private markets professionals, collectively managing \$326Bn+* in alternative assets across private equity, private debt, real assets, and multi-alternative portfolios.

Mission-Aligned LP Base

BIO has attracted a range of mission-aligned LPs who have been instrumental in sourcing valuable partnerships and investment opportunities from their networks.

External Partnerships and Industry Engagement

BIO maintains relationships with strategic partners and industry experts that are aligned with BIO's mission and core investment principles to provide additional sourcing channels and thought partnership.



Making the right kind of capital work for companies to enable impact

BIO seeks to generate strong risk-adjusted market-rate returns by focusing on investment themes that are drivers of economic growth. We believe that market inefficiencies inherent with social inequities can drive differentiated returns by unlocking latent economic growth previously hindered by these inefficiencies. We combine a top-down view of the themes and sectors expected to outperform the broader market, with bottom-up security structuring with the goal of optimizing the portfolio's exposure to return drivers and risk factors. Given the breadth of our investment toolkit, we perform detailed relative value assessment on each potential investment to assess investment timing and sizing and to guide our portfolio construction.

Investment criteria

Investment Size

- Up to \$100M

Return Target

- Non-concessionary. Targeted risk-adjusted returns at least commensurate with market returns

Asset Class

- Invest across sectors and the full capital stack

BIO's extensive suite of investment strategies ensures that the right capital is available and used to support the needs of our portfolio companies. We provide the capital to scale businesses, the credit to those lacking access, the real assets investments to boost a community, and the expertise and relationships to take projects driving local outcomes to the next level.

Private Equity

Private Credit

Real Assets

Niche Assets

Sourcing & Screening



Impact themes

Our team has identified six themes that represent the overlap between social megatrends that are drivers of economic growth, the needs of undercapitalized communities, and the most compelling opportunities in capital markets. While we focus most of our efforts on these themes, these are not exclusive.

Health & Wellness



Financing health & wellness solutions and providing capital to organizations and facilities promoting the holistic wellbeing of communities

Financial Inclusion



Increasing access to capital and affordable financial services for undercapitalized households and businesses

Housing & Diverse Developers



Increasing the supply of and access to affordable housing, and increasing minority participation in real asset development

Digital Connectivity



Promoting digital connectivity and information architecture serving undercapitalized communities

Education & Workforce



Improving access to, participation in and affordability of quality education and workforce training across the cradle-to-career continuum

Inclusive Transition



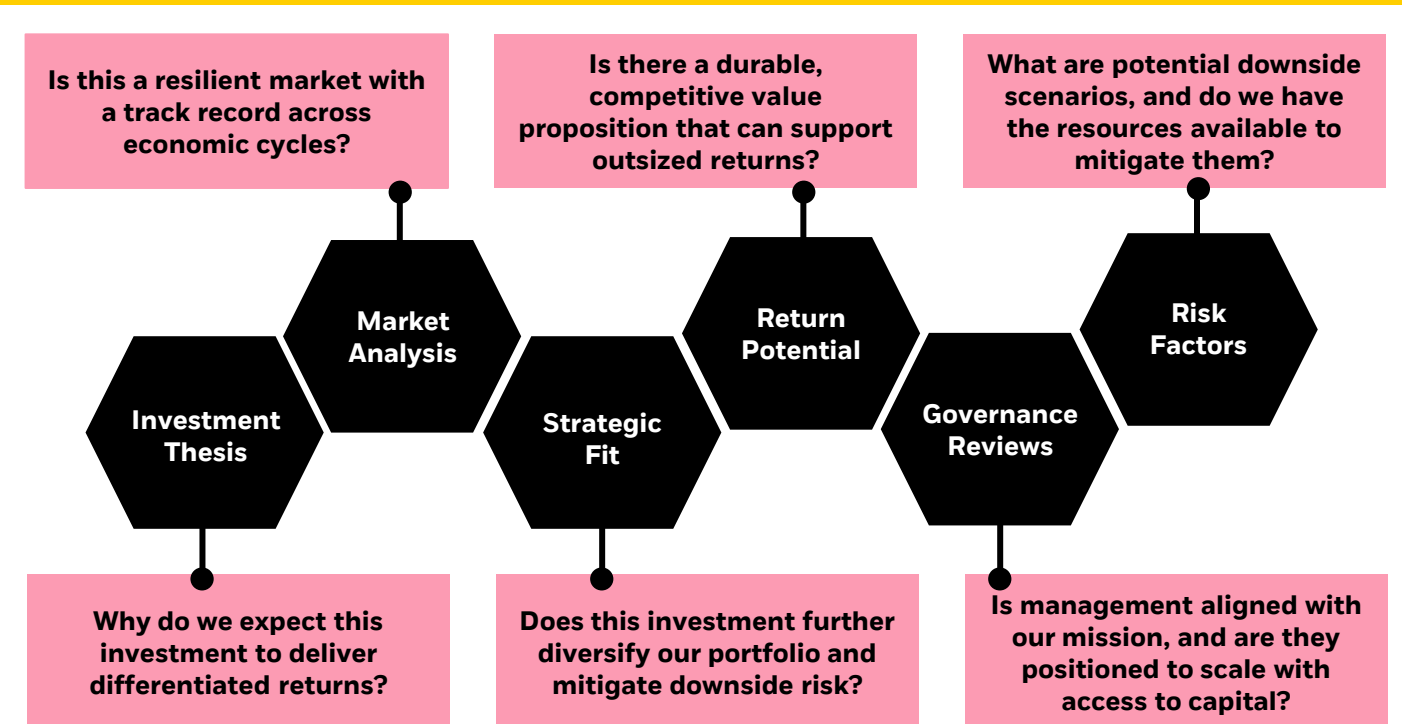
Increasing the adoption of renewable energy and mitigating the negative impacts associated with the transition to a low-carbon economy

Sourcing & Screening

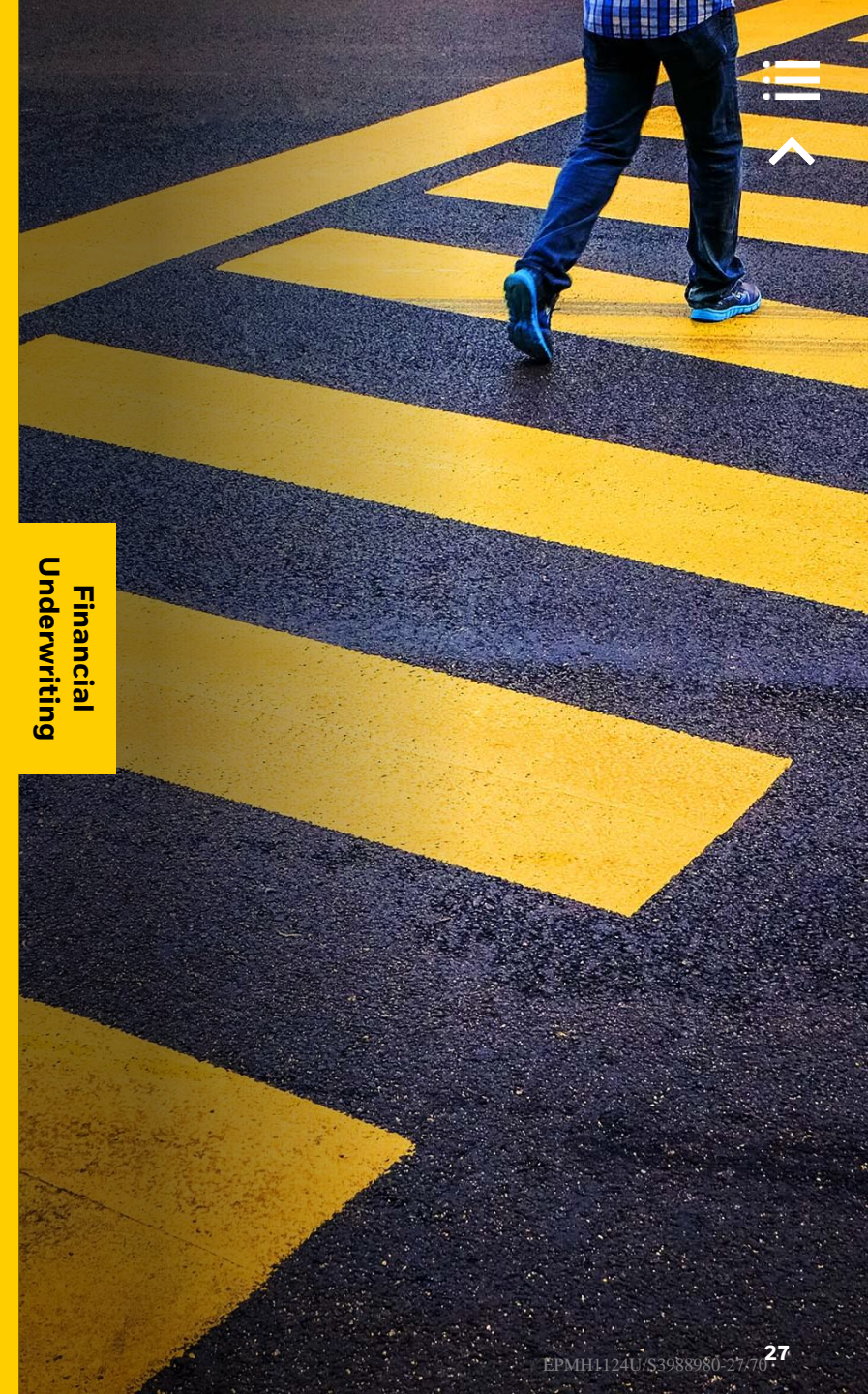


Rigorous underwriting process to identify superior investments

A rigorous underwriting approach and broad investment toolkit are key building blocks to assess risk and accelerate positive economic outcomes for undercapitalized communities at scale. Given the nature of our portfolio, each of our investments passes through a multi-stage evaluation process that considers merits of the opportunity both within the sector, and on a portfolio level. At each stage, our evaluation considers key risk factors, industry and competitive dynamics, strategic fit within the portfolio, and other core characteristics. We utilize a factor-based approach for portfolio construction and risk management, seeking to quantify economic exposure and manage unwanted risk concentrations while isolating idiosyncratic risk.



Financial Underwriting



Aligning BlackRock's differentiated capabilities with our ethos

✓ Rigorous, bottom-up diligence

- Investment team brings deep knowledge and experience of the communities in which BIO invests, and leverages their networks to evaluate business plans and validate these
- In-depth, efficient, and effective diligence, leveraging firmwide experts and external industry specialists and advisors
- Collective experience of BlackRock ecosystem drives diligence at scale and ability to quickly assess key risks and investment thesis based on precedent comparable transactions

✓ Deep cross-sector knowledge and expertise

- Breadth of the BlackRock platform and pools of knowledge across capital stack, industry groups, public & private markets
- Strong connectivity and collaboration with private and public stakeholders, including governments, non-profits, corporates, and specialist investors
- Broad network of partners that can help unlock opportunities to drive value creation

✓ Tailored structuring and portfolio construction

- Ability to invest across the capital structure based on company's specific needs and risk profile to ensure resiliency
- Relative value assessment to ensure differentiated, attractive risk-adjusted returns
- Portfolio fit assessment to ensure a balanced and diversified portfolio

Financial
Underwriting

Impact measurement and management at the center of the investment process

BIO's impact framework is consistent with BlackRock's proprietary approach to impact investing in seeking to intentionally generate positive, measurable outcomes alongside a financial return. BIO anchors our Impact Measurement and Management (IMM) approach to a set of three principles, which we believe constitute industry best practices.

1 We seek to ensure that our IMM process is **transparent, repeatable, and auditable**. This approach enables a valuable feedback loop to improve our impact thesis over time and better serve communities.

Among the many measurement frameworks available, we have integrated four into our IMM practice. We view the four frameworks as highly complementary to each other, together providing a powerful, unified tool for impact assessment:

2 We aim to identify measurable **impact indicators throughout the investment process**. This aspect of diligence forms a baseline for impact measurement throughout the investment period.



3 We adopt evolving **industry-leading frameworks** wherever relevant to our investment approach. These frameworks increase the comparability of impact measures across investments over time and help to avoid the proliferation of disparate methodologies in the industry.



Operating Principles for
Impact Management



We have selected these frameworks to solve for the more challenging elements of impact measurement that matter to us deeply as impact investors. Specifically, in addition to measuring positive impact from our portfolio companies, we aim to evaluate:

Impact
Underwriting

Intentional & Material

Our desire to evaluate our contributions to impact have led us to adopt Impact Frontiers' Five Dimensions of Impact (see below) as a reinforcement of our own philosophy and practice. We aim to make impact investments that intentionally drive positive outcomes at scale.

Measurable & Comparable Over Time

The Five Dimensions provide a consistent framework for impact assessment across companies. The structure is also embedded in the Global Impact Investing Network's (GIIN) IRIS+ System, which provides a common taxonomy with hundreds of standardized metrics and definitions across impact themes, such as food security. We specifically use the IRIS+ Core Metrics Set. While not central to our IMM, we also track alignment with the UNSDGs.

"Net Impact"

As a matter of policy, we avoid investing in categories such as controversial weapons, tobacco producers, and UN Global Compact (UNGC) violators. We also assess negative externalities and integrate impact research into our process of analyzing investments. We strive to comprehensively understand what impact our investment will have, the magnitude of that impact, and who will be affected.

Impact Frontiers' 5 Dimensions of Impact⁵

□ What

What outcomes do we expect to occur as a result of this investment?

○ Who

Who are the undercapitalized communities who will benefit?

≡ How Much

How much scale, depth, and/or duration of impact do we expect?

+ Contribution

What is the contribution that the business we are investing in will make to these outcomes relative to "the counterfactual"?

▲ Risk

What is the risk that the impact does not occur as expected? Do we risk negative impacts, particularly for the target communities?

Impact Underwriting

Leveraging asset and industry expertise to drive portfolio value creation

BIO actively supports portfolio companies throughout our partnership. These efforts, in turn, complement and multiply the impact of our capital and the portfolio company. Drawing on the resources of the BlackRock platform, our team helps companies focus on the highest potential levers to strengthen their businesses and communities while navigating an ever-changing macroeconomic and market landscape.



Financial & Capital Markets

- Accretive M&A origination & execution
- Capital formation and financing
- Capital allocation analysis
- Working capital management
- Institutional financial planning and analysis



Talent & Governance

- Board construction and enrichment
- Executive team build out
- Executive coaching
- Talent management and incentive initiatives



Strategy & Operational

- Go-to-market strategy
- Digital transformation
- Data, analytics & reporting
- Market intelligence
- Procurement & supply chain resilience



Stakeholders & Ecosystem

- Community and stakeholder engagement
- Network introductions
- Culture and purpose
- Accountability to impact goals

Value
Creation





BIO's approach is aligned with BlackRock's broader diversity, equity and inclusion strategy



**Together
as one.**

Over the course of BlackRock's history, it has grown by developing innovative, industry-leading solutions and adding talent and capabilities through a series of transformational acquisitions. As BlackRock's business has grown, so has its connected and inclusive global culture, which unifies and drives us to create better financial futures for our clients. An inclusive and connected culture is fundamental to BlackRock's success. The progress of the "Together as one" strategy can be seen in a range of ways, including the launch of two new employee networks, the successful pilot of Career Development Month and expanded partnerships with diverse brokers.

At BlackRock, Diversity, Equity and Inclusion (DEI) is a business imperative. Our One BlackRock Principle recognizes that a diverse workforce is indispensable to our success, and that an inclusive, equitable environment makes us thrive. That inclusive orientation—the priority we place on recognizing the capabilities that others could bring—helped to make BlackRock what it is today. Our global scope and success derive from our ability to meld new perspectives into our mission.

BlackRock has publicly disclosed our representation and other DEI efforts in our [Global DEI Annual Report](#), [SASB](#) and [EEO-1](#) disclosures. We engage external partners that support our DEI strategy through building diverse recruiting pipelines, engaging talent in development and networking opportunities, and providing thought leadership. Our DEI strategy focuses on the following three key pillars:

1.

Our talent and culture across the globe

We attract, develop and retain top talent by cultivating an inclusive work environment where everyone has fair access to opportunities and feels seen, heard, valued, and respected.

2.

Our activities to support interested clients

We expand investment choices and business partnership opportunities by maintaining a network of diverse brokers, managers, and suppliers to meet the needs of interested clients, consistent with our fiduciary duty.

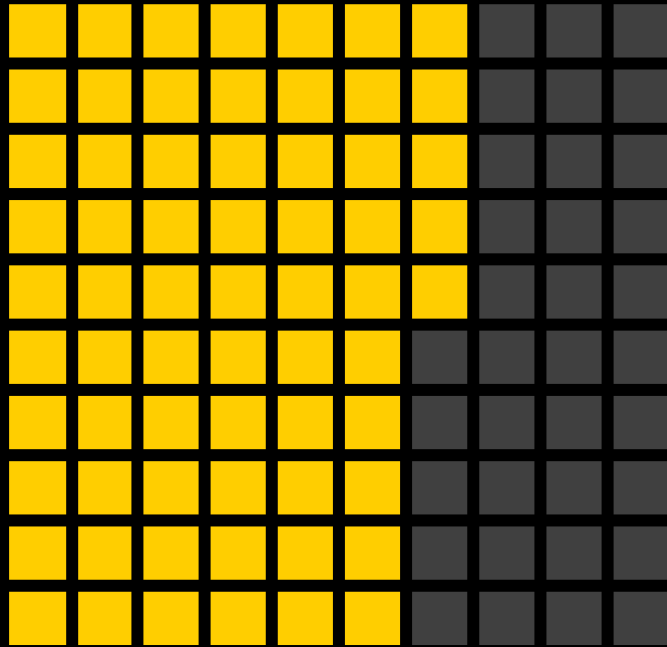
3.

Our impact in underserved communities

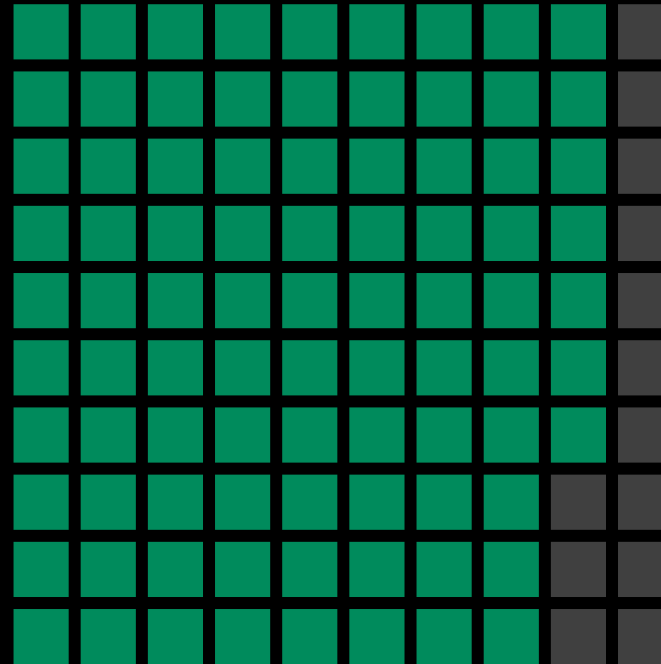
We contribute to the long-term success of underserved communities and help more and more people experience financial well-being through our BlackRock philanthropy and employee-led volunteer efforts.



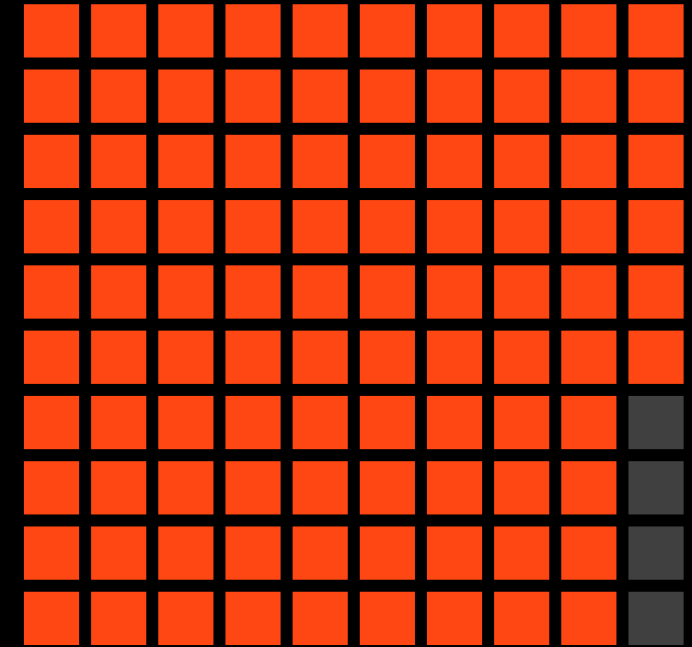
BIO's commitment to diversity, equity and inclusion is evident across our team and investments



BIO Portfolio Company Board of Directors⁶ 65%



BIO Portfolio Company Employees⁷ 87%



BIO Team⁸ 94%

6. Percentage of the members of the Board of Directors for our portfolio companies that identify as Black or African American, Hispanic/Latinx, Asian or Pacific Islander, Middle Eastern or North African, Native American or Alaska Native or Native Hawaiian or Multiracial. Data as of June 30th, 2024.

7. "Percentage of the employees at our portfolio companies that identify as Black or African American, Hispanic/Latinx, Asian or Pacific Islander, Middle Eastern or North African, Native American or Alaska Native or Native Hawaiian or Multiracial." Data as of January 1st, 2024.

8. Percentage of the team that identifies as Black or African American, Hispanic/Latinx, Asian, and/or LGBTQ+. Percentages rounded to the nearest whole number. Data as of September 30th, 2024.



We aim to amplify impact by collaborating with industry leaders to drive thought leadership

A selection of our impact and sustainability partnerships:



Operating Principles for Impact Management

Impact principles signatory



IMPACT FRONTIERS

Working partnership for impact
Former working group advisor



Founding supporter
Advisory council member



Firm membership
Working group member



Member



Member



PRI signatory



Former board advisor

PricewaterhouseCoopers LLP (PwC) successfully completed a review of BIO's impact measurement and management process and provided a limited assurance opinion of BlackRock's disclosures against the IFC's Operating Principles for Impact Management.

This rigorous process underscores our commitment to an evidence-based impact methodology. The team is pleased to have successfully obtained an independent opinion to validate that our policies and processes are aligned with the Operating Principles for Impact Management.

[> Read BIO's OPIM Disclosure Statement](#)



Partnering with leading organizations across the impact ecosystem:

Task Force on Climate-related Financial Disclosures (TCFD)

Founding member
Blackrock 2023 TCFD Report

Focusing Capital on the Long Term (FCLT)

Founding member
Strategic advisor

CFA Society United Kingdom

Member society of the CFA Institute launching the 1st CFA Impact Investing Certification worldwide

Emergency Savings Initiative

Lead Founder

Green Bond Principles

Founding member
Executive committee member

Ellen MacArthur Foundation

Circular economy research partnership

Aspen Institute Latinos and Society

Conference Sponsor

National Association of Securities Professionals

Sponsor

World Economic Forum's Partnering for Racial Justice in Business Initiative

Founding member

TOIGO Foundation

Sponsor

New American Alliance

Member

Sponsors for Educational Opportunity

Alternative investments fellowship program participant

DEI awards & recognition:

JUST Capital⁹

Top 100 America's Most JUST Companies for 2024

Bloomberg¹⁰

Included in Bloomberg's Gender Equality Index in 2023

Disability Equality Index¹¹

Scored 100% on the 2024 Disability Equality Index

Prince's Trust¹²

Received the Prince's Trust EDI Champion Award in 2023

LGBTQ+ Workplace Inclusion Index¹³

Scored 100 in the 2024 LGBTQ+ Workplace Inclusion Index in multiple countries

Armed Forces Covenant¹⁴

Named one of the best employers for veterans in the UK in 2023

D&I Award¹⁵

Named the best place to work in Japan for DEI in 2023

Employer Index 2023¹⁶

Recognized as a Top 75 Employer for worker mobility

Workplace Inclusion¹⁷

Recognized as a silver employer in India's first LGBTQ+ Workplace Inclusion benchmark

As of June 30, 2024. Not a complete list of all external partnerships or recognitions.



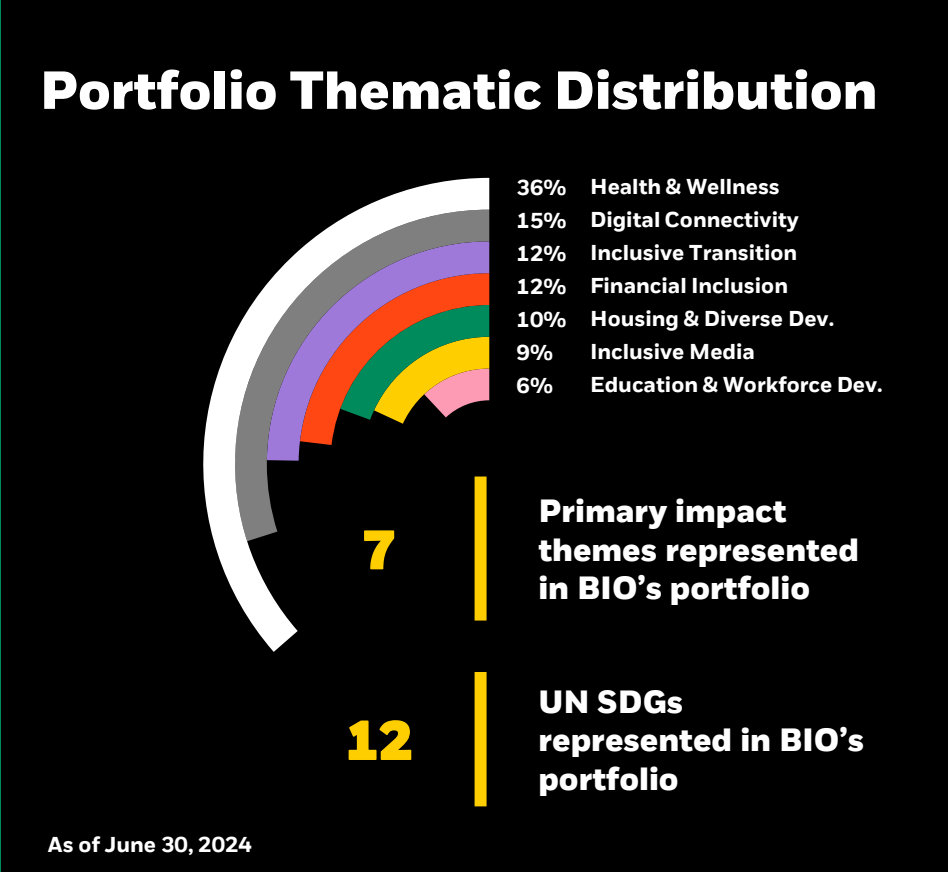
Our impact



BIO has articulated two primary impact doorways across the portfolio

01 Supporting leaders & the workforce

02 Enabling access for communities



01 Supporting leaders & the workforce¹⁸

Supporting exemplary leaders

At the heart of spurring economic growth in undercapitalized communities lies the belief that the most effective solutions come from within. By investing exceptional leaders who are deeply embedded in these communities, we leverage their unique insights and commitment to drive a differentiated approach and sustainable change.

A few examples from our portfolio include:



Charles King
MACRO



Juan Carlos Mas
Synergy Infrastructure



Allen G Cadreau
Indian Energy



Jennifer Keith
Ethos Real Estate



Meredith Marshall
BRP Companies



Geoff Flournoy
BRP Companies

Growing the workforce

BIO seeks to accelerate the growth of high potential companies and projects within undercapitalized communities, creating jobs and stimulating local economies in the process. These new economic opportunities are designed to enable greater career mobility and financial stability for members of the communities, paving the way for generational wealth and economic empowerment for the long-term.

A few examples from our portfolio include:





02 Enabling access for communities

Our portfolio covers a wide range of impact themes, including:

Health & Wellness

Financing health & wellness solutions and providing capital to organizations and facilities promoting the holistic wellbeing of communities

Pediatric dental care

Lone Peak is one of the largest pediatric specialty Dental Support Organizations focused on Medicaid and is systematically increasing access to pediatric dental care for children from lower income families.



Affordable healthy food

Heritage Grocers Group is a leading Hispanic-focused grocery chain dedicated to expanding access to quality, affordable fresh food in underserved neighborhoods.



Affordable fitness

Retro Fitness positively impacts social determinants of health by increasing access to physical activity opportunities, mental health wellness offerings, and nutritional guidance in diverse zip codes that are “fitness deserts”.



Financial Inclusion & Diverse Developers

Increasing access to capital and affordable financial services for undercapitalized consumers and entrepreneurs



Consumer finance

Tricolor uses its proprietary underwriting model to assess the creditworthiness of underbanked customers. This allows the company to provide its customers with quality financing to purchase vehicles from its dealerships for a cheaper cost.



Development capital

BIO provided capital to support BRP, a Black-owned and -led real estate firm in developing a new 292-unit multi-family project in Long Island, New York.



Acquisition capital

BIO provided capital to support Ethos, a Black- and women-owned real estate platform in acquiring a newly constructed 252-unit multi-family property in Salt Lake City, Utah.



Inclusive Transition

Increasing the adoption of renewable energy and mitigating the negative impacts associated with the transition to a low-carbon economy

Utility-scale solar

BIO's investment in a solar microgrid project located on indigenous land will provide low-cost, 100% renewable electricity to power critical tribal operations and increase energy resiliency through a utility-scale renewable energy microgrid and long duration battery system.



Residential solar

BIO's joint venture with IGS energy aims to enhance the participation of Black and Latinx communities in the solar energy sector, which traditionally sees lower engagement from these groups compared to non-minority populations.



Rural broadband

Conexon is a market leading fiber internet solutions company focused narrowing the digital divide by bringing high-speed broadband connectivity to underserved rural markets across the country through an innovative network deployment model.



Education & Workforce

Improving access to, participation in and affordability of quality education and workforce training across the cradle-to-career continuum

Early childhood education

Acelero is a leading provider of early childhood education and family engagement services to low-income communities. The company works to close the achievement gap by increasing kindergarten readiness and improving the curriculum and implementation of Head Start and Early Head Start programs.



Inclusive Media

Increasing the supply of media representing the perspectives of communities of color and providing high-quality opportunities for diverse talent in media in front of and behind the camera

High quality content focused on diverse perspectives

MACRO is an award-winning media company that develops and finances high-quality, premium content featuring diverse stories, casts, and production teams. The company's work spans roles in media production (including film and television development, film financing, talent representation, and brand marketing) and centers around empowering diverse talent and creators in the media industry.





New investments



As of June 30, 2024

IGS Energy

Investment: May 2024



Transaction Highlights

Inclusive Transition

Impact Theme

Infrastructure

Asset Class

Renewable Energy

Sector

Doorway 2

Impact Eligibility

In 2023, solar energy represented 53% of all new electricity generating capacity added in the United States¹⁹, with 6.0 GWdc of residential installations.²⁰ It is anticipated that residential solar will grow by 5% annually from 2024 to 2034.²¹ However, recent data indicates a disparity in the adoption of rooftop photovoltaic (PV) systems across different communities. Specifically, census tracts with predominantly Black and Hispanic populations have, on average, significantly fewer rooftop PV installations. For the same median household income, Black-majority and Hispanic-majority census tracts have 69% and 30% fewer rooftop PV installed, respectively, compared to tracts with no racial majority. In contrast, white-majority tracts have installed 21% more rooftop PV.²²

IGS Energy is an independent retail natural gas and electricity supplier with an 8-year track record in residential solar and over 30 years of experience providing energy solutions. This investment aims to enhance the participation of Black and Latinx communities in the solar energy sector, which traditionally sees lower engagement from these groups compared to non-minority populations, even when accounting for homeownership and income levels. The strategy targets at least 60% of the customer portfolio within Majority-Minority Census Tracts (MMCTs), where the expected lifetime savings, as estimated by IGS, could vary from \$8,000 to \$22,000, depending on the location²³. Additionally, as a renewable energy source, solar power contributes to reducing greenhouse gas (GHG) emissions significantly compared to fossil fuels, both during operation and throughout the PV system's full life cycles.

BIO Partnership Spotlight



Inclusivity

As part of the investment strategy, our JV has the objective of allocating a minimum of 60% of its projects in MMCTs. Most of the projects will be located in states that exhibit a combination of higher electricity costs, substantial minority populations, favorable net metering policies, and relatively low solar energy adoption rates.



Proactive Monitoring of Key Impact Indicators

IGS and BIO will collaborate to continually revisit demographics data and establish pre-and post-install surveys to collect customer demographics, annual utility bill amounts, and tax benefits conferred.

“ For our customers, for communities, for the planet – we’re answering the call to evolve the world’s relationship with energy. Through innovation, investment and approach – we drive and celebrate every step to make reliable, affordable, clean energy available to everyone.”



Impact²⁴

2,504

Total number of projects planned

19MW_{dc}

Total system size of projects planned

60%

Of projects planned in MMCTs

\$8K-\$22K

Expected lifetime cost savings



Conexon

Investment: December 2023



America runs on the internet. Strong internet connection powers the economy, supports critical service delivery and is central to many parts of modern life. Consequently, consumer demand for broadband has accelerated with broadband-only homes in the U.S. growing at a 30% CAGR since 2015 and home internet usage expected to more than double by 2025 compared to 2020 levels.²⁵ However, a digital divide has emerged where not everyone is connected. There are 30M households in the US without access to broadband, with low-income populations, people of color, and those who live in rural and Tribal areas disproportionately likely to lack access.²⁶ This is primarily an issue of lack of supply rather than of demand, in exurban and rural areas, 62% of subscribers chose fiber when it is available.²⁷

Conexon is a market leading fiber internet solutions company focused on designing, constructing, and operating Fiber-to-the-Home (“FTTH”) networks across rural America. Since 2015, the company has worked with rural electric cooperatives (“Co-ops”) – member-owned, non-profit electricity providers – and others to deploy fiber to the home in rural areas around the country. To date, the company has assisted more than 300 electric cooperatives, 80 of which are now deploying fiber networks to their members/customers.²⁸ Conexon’s work with co-ops and other partners has connected more than 1.1 million rural Americans to world-class fiber internet.²⁸ Without Co-op partnerships and/or significant government funding, FTTH would be cost prohibitive in most rural markets. Conexon’s business model leverages the same principles and community infrastructure that brought electrification to rural America. To date, the company has designed more than 200,000 miles of fiber, connected more than 500,000 rural American homes to fiber and builds more than 50,000 miles of fiber annually.²⁸

BIO Partnership Spotlight



Expansion of ISP Business

The investment will help drive Conexon’s deployment of FTTH and offering service through its Internet Services Provider, Conexon Connect. This innovative model, based on shared investment and shared revenue, empowers Co-op partners to launch and deliver retail broadband services to subscribers by relying on Connect to handle all aspects of network construction and, as the ISP, subscriber experience.



Deployment in even more Markets

BIO’s investment will help drive Conexon’s deployment of FTTH across 10 states, Conexon will accelerate its pace of delivering digital connectivity in rural communities throughout the nation, providing unserved and under-served residents access to multi-gigabit-speed internet.²⁹

Transaction Highlights

Digital Connectivity

Impact Theme

Infrastructure

Asset class

Telecommunications

Sector

Doorway 2

Impact Eligibility

“ BlackRock Impact Opportunities’ investment will further Conexon’s mission of ensuring every home and business in rural communities has access to the life-changing benefits of high-speed fiber internet. This capital allows us to connect more communities by accelerating the pace at which we can partner with electric cooperatives to unlock the power of their infrastructure to serve all their members with reliable, affordable internet.”



Randy Klindt, *Conexon*
Chief Executive Officer



Impact

273K+

Rural households connected to high-speed broadband³⁰

300+

Rural electric co-op partners across the country³¹

66K+

Miles of fiber constructed in the last year³²

\$2Bn+

of federal, state, and local funding secured to connect underserved communities³³

Lone Peak Dental Group

Investment: December 2023



Transaction Highlights

Health & Wellness

Impact Theme

Buyout

Asset Class

Healthcare

Sector

Doorway 2

Impact Eligibility

In the United States, over 88M people, including 40M children are enrolled in Medicaid and CHIP coverage³⁴, which provide free or low-cost health coverage to low-income individuals. However, pediatric dentists comprise only an estimated 3% of the overall dentist population, and only 57% of those participate in Medicaid and CHIP.³⁵ This leaves many of the publicly insured without dental care. Even for those who do have access to care, lack of transportation, culturally competent care and time away from work lead to significantly lower levels of preventative dentist utilization.³⁶ Preventative dental care is essential to a child's overall well-being, as poor oral health can lead to truancy, chronic pain, mental health issues for those whose smile is affected, and even cardiac health challenges.³⁷

For the publicly insured seeking quality pediatric dental care, Lone Peak has served as a champion and partner since 2003. With 74 offices across 14 states, and over 150 dentists³⁸, Lone Peak is one of the largest pediatric specialty Dental Support Organizations (“DSOs”) focused on Medicaid and is systematically increasing access to pediatric dental care for Black and Latinx children from lower income families. Lone Peak also brings a culturally inclusive lens to their practice – over 80% of Lone Peak's offices have bilingual staff. Lone Peak's DSO model streamlines operations so providers can spend more time delivering quality care to patients in need. In 2023 alone, Lone Peak served over 500K patients and achieved a patient satisfaction score of 9/10.³⁸ Long-term, by leveraging the almost \$700Bn in federal Medicaid spending, management is committed to the mission of converting restorative care patients to ongoing, essential preventative care.³⁹

BIO Partnership Spotlight



Talent Recruitment

BIO's investment deepens the organization's impact by laying the foundations to scale. For example, BIO created a dedicated HR function to deepen recruitment channels and attract more talent to the platform.



Strategic Partnerships

Leveraging the BlackRock network to connect management with experienced Board members and strategic partners with the expertise to enhance and expand care to Lone Peak patients.



Institutionalize Compliance

Institutionalized compliance department in establishing Chief Compliance and Clinic Officer functions to ensure that patients receive the highest level of professional dental care.

“ The Lone Peak team is excited to partner with BlackRock Impact Opportunities, who bring expertise to help us realize our growth potential while delivering quality care through our Kidsperience service model. Their commitment to improving outcomes for underserved communities and social responsibility aligns perfectly with our values. Together, we’re not just expanding access to dental care, but we’re building healthier communities.”



Ray Caruso, Lone Peak Dental Group
Chief Executive Officer



Impact⁴⁰

580K

Annual Medicaid patient visits

85%

Re-care as % of total cases

81%

Offices with bilingual staff

9.0 / 10.0

Patient satisfaction score

Heritage Grocers Group

Investment: September 2023



Food insecurity affects over 13M individuals in the United States. This burden is borne disproportionately by Hispanic households, with 16% experiencing food insecurity, compared to just 7% of White, non-Hispanic households.⁴¹ A significant factor contributing to this disparity is the distance to supermarkets in lower-income, predominantly Hispanic neighborhoods, where residents may travel up to 10 miles for groceries.⁴² Limited access to affordable, nutritious food options correlates with higher risks of chronic diseases such as obesity, type 2 diabetes, and heart disease in adults, as well as developmental issues in children. Introducing more affordable, high quality grocery stores in these communities is a vital step towards increasing fruit and vegetable consumption and improving overall health outcomes.⁴³

Heritage Grocers Group (“HGG”), a leading Hispanic-focused grocery chain, is dedicated to expanding access to quality, affordable food in underserved neighborhoods. HGG’s management team is committed to operating in low-income, low-access neighborhoods, serving a higher proportion of Supplemental Nutrition Assistance Program (SNAP) participants and other lower-income shoppers compared to competitors.⁴⁴ With a unique, hyper-localized product offering, HGG has cultivated a loyal customer base across its geographic footprint. Furthermore, HGG’s workforce is over 95% Hispanic/Latinx, primarily hired from the local communities, reinforcing HGG’s commitment to creating employment opportunities and enhancing its impact within these areas.⁴⁵

BIO Partnership Spotlight



Market assessment

The BIO team led an effort to conduct an in-depth analysis of HGG’s market landscape and competitive positioning. The analysis enabled a greater understanding of HGG’s competitive value proposition, as well as quantified the whitespace opportunity for expansion.

Pricing strategy

BIO also supported HGG in enhancing its pricing strategy to drive growth and profitability for the business. By establishing new price index targets and implementing targeted promotions to increase foot traffic, HGG can expand its customer base for which it provides affordable, nutritious food offerings.



Transaction Highlights

Health & Wellness

Impact Theme

Buyout

Asset Class

Grocery Retail

Sector

Doorway 2

Impact Eligibility

“ At HGG, we believe that fostering health and wellness is not just a commitment but a journey we embark on with our partners and communities. Our collaboration with BIO allows us to bring forth innovative solutions that cater to the diverse needs of the communities we serve. Together, we are dedicated to breaking down barriers to access, ensuring that nutritious, quality food is not a luxury, but a standard for every household. We believe the partnership will continue to aid in our mission to create sustainable impact, nurture well-being, and empower individuals to lead healthier lives.”



**HERITAGE
GROCERS
GROUP**

Doug Sanders, *Heritage Grocers Group*
Chief Executive Officer

Impact

95%

Hispanic/Latinx workforce⁴⁶

115

Affordable supermarkets
catered to Hispanic
communities⁴⁶

21%

SNAP revenue compared to
11% industry average⁴⁷

76%

Stores in low-income
communities⁴⁶



Indian Energy

Investment: May 2023



The Department of Energy estimates 16,805 Tribal homes are unelectrified, putting many aspects of daily life out of reach.⁴⁸ Additionally, as the U.S. transitions to clean energy, coal-fired plants that once fueled Tribal economies, such as the Navajo Generating Station in Arizona, continue to be shut down. With ~6.5% of U.S. utility-scale renewable energy potential on Tribal lands, the inclusive transition represents an opportunity for Native Tribes to regain energy sovereignty while revitalizing their economies.⁴⁹ Despite the growing demand for renewable energy in these communities, Tribal leaders face many barriers to realizing this vision, including the capital and expertise needed to navigate federal funding channels.

Indian Energy is a 100% Native American Indian-owned and -operated microgrid development, and energy asset ownership company that was founded to address these very challenges. BIO's investment capitalized the company's marquee solar development project comprised of a 15MWdc solar carport and 70MWhdc long duration battery storage facility, located on the indigenous lands of the Viejas Band of Kumeyaay Indians. Like many tribal communities, the Viejas reservation is at the "end of the grid," making for a low-quality and unreliable power supply. This project is expected to benefit the Tribe in many ways. First it will provide low-cost, 100% renewable electricity to power critical operations and increase energy resiliency through a utility-scale renewable energy microgrid. Second it offers the Tribe over 50% in annual cost savings relative to their current utility rate, which the Tribe could redirect toward critical investments, such as infrastructure maintenance, operation of the fire department, Tribal culture and educational programs, and other Tribal member services. Finally, as a microgrid solar solution, the project will remove the Viejas' load from the grid, insulating the community from grid shutdowns, strengthening their energy resilience, and supporting the demand for energy sovereignty among Native communities.

BIO Partnership Spotlight



Funding Advisory and Guidance

A key barrier to Tribal communities unlocking federal funding is the complex ecosystem of due diligence, off-take agreements, and Energy Performance Certificates. BIO's robust diligence process bridged the gap between DOE funding and the Native community, making this the first project to be awarded a guarantee under the \$20Bn under the Tribal Energy Financing Program.⁵⁰

Energy Sovereignty

BIO is committed to preserving energy sovereignty. Our investment acts as a catalyst for the project's development and impact potential, as the microgrid provides critical energy sovereignty and security to the Viejas tribe.



Transaction Highlights

Inclusive Transition

Impact Theme

Infrastructure Debt

Asset Class

Renewable Energy

Sector

Doorway 1 & 2

Impact Eligibility

“ We are grateful to partner with BlackRock Impact Opportunities as the first institutional investor supporting our solar microgrid with the Viejas. Their mission-aligned vision and critical partnership have been instrumental in catalyzing the project’s progress and attracting additional public and private investment. This project represents an important milestone for our company, and an even more important milestone for our people as a whole.”



Allen G. Cadreau, *Indian Energy*
Chief Executive Officer



Impact⁵¹

50%

Estimated Year 1 Energy Cost Savings for Native Community

9,009 Tn

Estimated CO2 Emissions Saved Annually

15MW_{dc}

Solar PV Generation

70MWh_{dc}

Battery Energy Storage System



Year in pictures



BlackRock Black Professionals and Allies Network celebrating Black History Month the New York Stock Exchange Closing Bell



Joseph Acevedo at a Synergy Infrastructure site



Aarthi Sowrirajan speaks on a panel at the Social Capital (SOCAP) Conference



Investment team at the grand opening of a new Retro Fitness club in New York

Joseph Acevedo delivers a keynote address at the Aspen Institute Latinos & Society conference



Derrick Weatherspoon speaks on a panel at the Sponsors for Education Opportunity Alternative Investments Conference (AICON)



BIO Limited Partners speak on a panel at the BIO Annual General Meeting alongside BlackRock Vice Chairman, Mark McCombe

Activity time at an Acelero early childhood learning center





Brian Mwarania opening a panel at the BIO Annual General Meeting



Investment team at Conexon's splicing school in Dalton, GA

Investors tour an affordable housing development site as part of diligence on a new transaction



**Opening day at a Cardenas grocery store
In Las Vegas, NV**



Impact risks

We acknowledge the potential risk of lower-than-expected impact in our portfolio. We carefully assess, monitor, and mitigate these risks throughout the life of each investment. As we look across the portfolio, there are a handful of impact risks that we see as the most material and, therefore, important to monitor and mitigate.

Managing portfolio risk

<p>The risk of non-inclusive growth</p>	<p>As our companies grow and need larger suppliers, they tend to move into an increasingly racially homogenous market segment. As a result, our portfolio companies will need to take extra caution to source vendors and suppliers from diverse networks. We are conscious of this potential reality and are committed to helping our portfolio companies foresee these challenges and invest where needed to ensure they grow inclusively.</p>
<p>The risk of impact dropping off</p>	<p>Our portfolio companies have the potential to make a real difference for their target groups, but we acknowledge that outside barriers may prevent this impact from lasting over a longer time horizon. To help mitigate this, we support our portfolio companies in identifying ways to engage communities over as long a period of time as possible.</p>
<p>The risk of disruption from external changes</p>	<p>Our portfolio companies are operating in a volatile macroeconomic environment with rapid changes in market conditions and government policy. In theory, these changes could threaten the social impact and commercial success of our portfolio – and we have seen this volatility affect some of our companies’ work. Fortunately, the firms in our portfolio are operated by nimble managers and run with resilient business models. Paired with the research engine of BlackRock and its Private Markets Platform, we’re prepared to support our portfolio companies in weathering the storm.</p>

The risk of mission creep away from impact

Powered by capital from BlackRock and BIO, our portfolio companies are growing and evolving rapidly. This change may force the managers of these companies to make difficult choices, often quickly and under pressure; in these circumstances, these companies could begin to treat continued impact as secondary to commercial returns. Fortunately, we believe this alignment risk is minimal. Our portfolio companies were chosen based on their commitment to impact. Given our regular engagement with these companies and our monitoring of impact KPIs, we will be able to detect any mission creep early and work to address it.

The risk of poor execution of planned activities

An entrepreneur's planned activities and good intentions may not always be realized as expected. For many of our companies, poor execution would endanger their impact. For example, intended ripple effects in sourcing from diverse vendors and suppliers may be lost if internal practices lack structure and intentionality. We believe that execution risk is limited because our portfolio companies are led by seasoned entrepreneurs and businesses with track records of delivering on intended impact. Serving on the Board of most of the portfolio companies, BIO also has oversight capabilities on practices and ensures appropriate systems are in place.

Endnotes

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