

February 2021

**BlackRock**

# **The impact of carbon offsets in the Liquid Environmentally Aware Fund (LEAF<sup>®</sup>)**

# Understanding carbon offsetting

One of the most common ways to take action for a better environmental future is by financing the reduction of greenhouse gasses or other environmental projects via carbon offsets.

## What is carbon offsetting?



The reduction in emissions of one metric ton of carbon dioxide or other greenhouse gases from the environment



These offsets come in many forms, including renewable energy projects and reforestation

## How does it work?

- **Certified Emission Reduction (CER)** is one of the global processes that has been established for carbon offsetting. CER units may be purchased and retired via an authorized registry and are issued for projects registered under the **Clean Development Mechanism (CDM)**.
- An organization called **The World Bank**, as trustee for the **Adaptation Fund**<sup>1</sup>, sells CERs for use as emission reduction credits on verified projects.

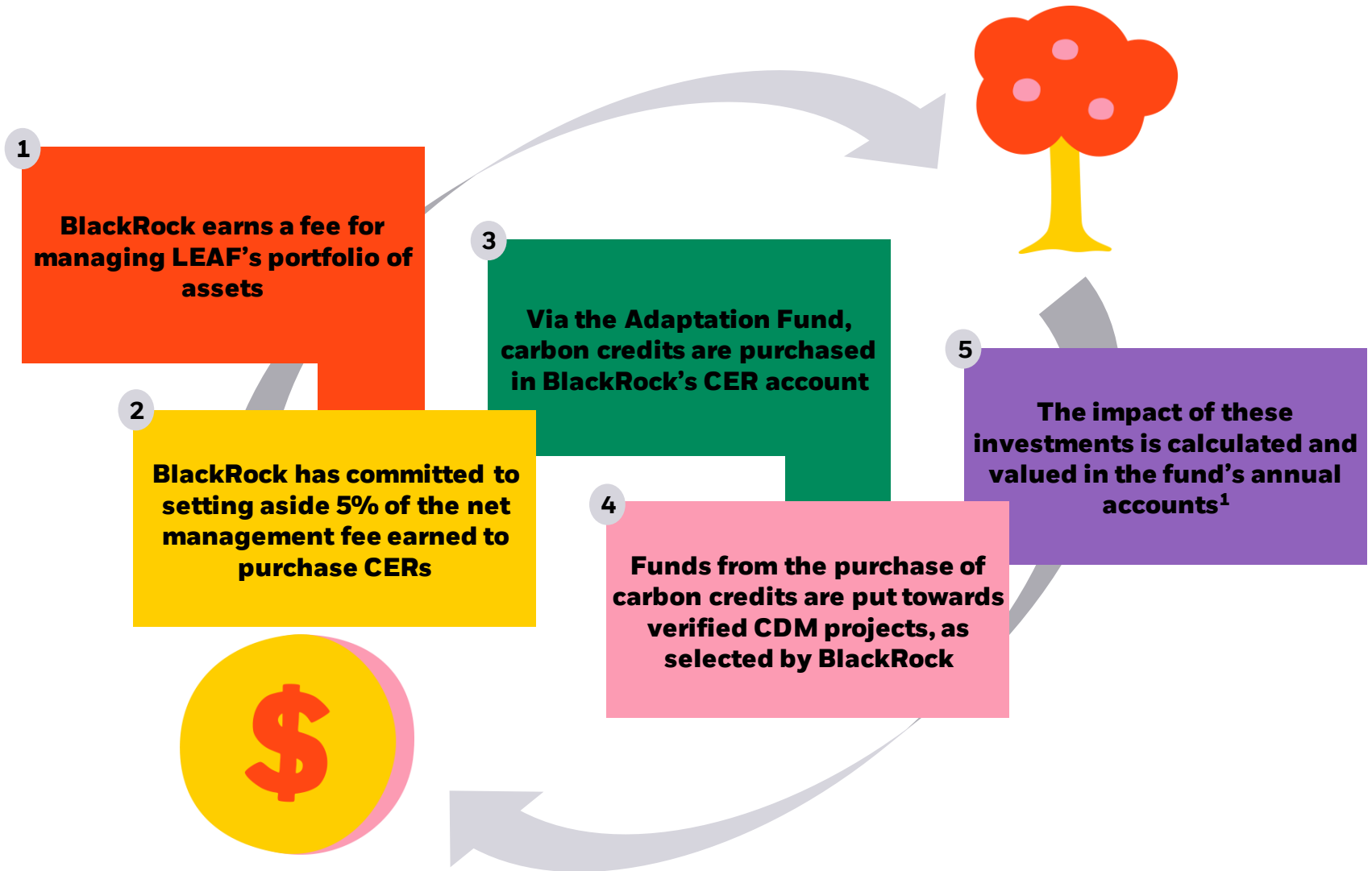
## How is BlackRock LEAF and WeLEAF involved?

- Using a portion of the net revenue from the **BlackRock Liquid Environmentally Aware Fund (LEAF)** and the **BlackRock Wealth Liquid Environmentally Aware Fund (WeLEAF)**, BlackRock intends to purchase CER units annually through the Adaptation Fund.
- Each year, the CER units purchased are applied to multiple projects carefully selected by a BlackRock committee and deemed to be in support of a better environmental future.

The above represents an overview of the carbon offsetting process utilized by the LEAF and WeLEAF funds.

<sup>1</sup> The Adaptation Fund is a Designated Operational Entity under the rules of the Kyoto Protocol.

# How investments in LEAF impact the environment



<sup>1</sup> The carbon credits retired by BlackRock's LEAF series are held and overseen by the Swiss Emissions Trading Registry and reported by them to the United Nations under the Kyoto protocol. For illustrative purposes only. This process applies to both the LEAF and WeLEAF funds.

# Measuring the impact: U.S. LEAF and WeLEAF

3 projects selected from 2019-2020

**CERs**

**\$36,900**

Value of CERs retired

**\$**

**\$1.25<sup>1</sup>**

Price per CER

**#**

**29,520**

Tons of carbon offset

**Equivalent to<sup>2</sup>:**



**1 year of energy use for 3,406 homes**



**Driving 6,378 passenger vehicles for one year**



**Burning 32,526,990 pounds of coal**

<sup>1</sup> As of April 30 2021-September 31 2020.

<sup>2</sup> Based on estimates provided by the United States Environmental Protection Agency as of January 31 2021.

For illustrative purposes only.

# Important Notes

***An investor should consider the investment objectives, risks and expenses of the Fund carefully before investing. The Fund's prospectus and, if available summary prospectus, contain this and other information about the Fund and are available by calling our Client Service Center at 800-441-7450. Please read the prospectus carefully before investing.***

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Please note that carbon offset equivalencies are approximate and should not be used for emission inventory or formal carbon footprinting exercises. See the equations and sources used for this calculator on the [Calculations and References page](#).

***Disclosures related to LEAF: Risk is inherent in all investing. You could lose money by investing in the Fund. Because the share price of the Fund will fluctuate, when you sell your shares, they may be worth more or less than what you originally paid for them. The Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.***

***Disclosures related to WeLEAF: You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.***

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