

**Pre-contractual disclosure for the financial products referred to in
Article 8 paragraphs 1, 2 and 2a of Regulation (EU) 2019/2088 and Article 6, first
paragraph, of Regulation (EU) 2020/852**

**Product name: iShares MSCI Europe ESG Enhanced UCITS ETF
Legal entity identifier: 549300T6AC8EPCHOU55**

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

- ☐ It will make a minimum of **sustainable investments with an environmental objective: ____%**
- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective: ____%**

☒ ☐ ☒ **No**

- ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments
- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund is passively managed and seeks to promote the following environmental and social characteristics by tracking the performance of the MSCI Europe ESG Enhanced Focus CTB Index, its Benchmark Index:

1. exclusion of issuers deemed to be involved in certain activities considered to have negative environmental and/or social outcomes;
2. exclusion of issuers deemed to have violated United Nations Global Compact principles;
3. exclusion of issuers deemed to be involved in very severe ESG related controversies or severe environmental controversies;
4. exposure to issuers with higher environmental, social and governance (ESG) scores;
5. exposure to issuers which have been selected and weighted to align with the climate commitments laid down in the Paris Agreement; and
6. exposure to investments qualifying as sustainable investments.

These environmental and social characteristics are incorporated through the selection and weighting of constituents in the Fund's Benchmark Index at each index rebalance (as described below). The Benchmark Index has been labelled by the index provider as an EU Climate Transition benchmark ("CTB") (within the meaning of the Benchmarks Regulation) and therefore has to be constructed in accordance with the minimum standards prescribed by the Benchmarks Regulation in respect of the criteria for the selection, weighting and, where applicable, exclusion of the underlying assets, to align with the climate commitments laid down in the Paris Agreement.

The Benchmark Index excludes issuers from the MSCI Europe Index (the “Parent Index”) based on their involvement in certain activities deemed to have negative environmental or social outcomes. Issuers are excluded from the Benchmark Index based on their involvement in the following business lines/activities (or related activities):

- controversial weapons
- nuclear weapons
- civilian firearms
- tobacco
- thermal coal
- conventional weapons
- unconventional oil and gas

The index provider defines what constitutes “involvement” in each restricted activity. This may be based on percentage of revenue, a defined total revenue threshold, or any connection to a restricted activity regardless of the amount of revenue received.

The Benchmark Index also excludes issuers from the Parent Index which are classified as violating United Nations Global Compact principles (which are widely accepted corporate sustainability principles that meet fundamental responsibilities in areas such as anti-corruption, human rights, labour and environmental) or which have a ‘red’ MSCI ESG controversy flag or an ‘orange’ environmental controversy flag (each based on an MSCI controversy score). An MSCI controversy score measures an issuer’s involvement (or alleged involvement) in serious controversies based on an assessment of an issuer’s operations and/or products which are deemed to have a negative ESG impact. An MSCI controversy score may consider involvement in adverse impact activities in relation to environmental issues such as biodiversity and land use, energy and climate change, water stress, toxic emissions and waste issues. An MSCI controversy score may also consider involvement in adverse impact activities in relation to social issues such as human rights, labour management relations, discrimination and workforce diversity.

Companies are also rated by the index provider based on their ability to manage their ESG risks and opportunities and are given an MSCI ESG rating. An MSCI ESG rating is designed to measure an issuer’s resilience to long-term industry material ESG risks and how well it manages ESG risks and opportunities relative to industry peers. The index provider may consider the following environmental themes when determining an issuer’s ESG score as part of the ESG rating methodology: climate change mitigation based on greenhouse gas emissions, waste and other emissions, land use and biodiversity. The index provider may also consider the following social themes when determining an issuer’s ESG score as part of the ESG rating methodology: access to basic services, community relations, data privacy and security, human capital, health and safety and product governance. The MSCI ESG rating methodology recognises that certain environmental and social issues are more material based on the type of activity that the issuer is involved in by weighting the issues differently in the scoring methodology. Those issuers with higher MSCI ESG scores are determined by the index provider to be those issuers that may be better positioned to manage future ESG-related challenges and risks compared to their industry peers.

Issuers that have not been assessed or rated by the index provider for an MSCI ESG controversy score, an MSCI ESG rating or ESG score are excluded from the Benchmark Index.

Following the application of the above exclusionary criteria, the constituents of the Benchmark Index are selected and weighted using the index provider’s optimisation process at each index rebalance which seeks to:

- reduce the weighted average greenhouse gas (GHG) intensity (Scope 1+2+3) by 30% compared to the Parent Index;
- reduce the weighted average GHG intensity (Scope 1+2+3) by 7% on an annual basis;
- reduce the weighted average potential GHG emissions intensity (Scope 1+2+3) by 30% compared to the Parent Index;
- increase the weighted exposure to companies with credible carbon reduction targets by at least 10%;
- optimise exposure to sectors with a high impact on climate change that is at least equivalent to the Parent Index (to align with the objective of a CTB);

- target a weighted average ratio of overall green revenue to fossil fuels-based revenue that is at least equivalent to the Parent Index; and
- target companies with higher ESG ratings in each sector of the Parent Index.

For more information on where details of the methodology of the Benchmark Index can be found see Where can the methodology used for the calculation of the designated index be found? below.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators form part of the ESG selection criteria of the Benchmark Index tracked by the Fund:

1. The exclusion of issuers involved in certain activities deemed to have negative environmental and/or social outcomes as described above (see What environmental and/or social characteristics are promoted by this financial product?).
2. The exclusion of companies classified as violating United Nations Global Compact principles by the Benchmark Index as described above (see What environmental and/or social characteristics are promoted by this financial product? above).
3. The exclusion of companies identified as being involved in ESG related controversies as described above (see What environmental and/or social characteristics are promoted by this financial product? above).
4. The exposure to companies with credible carbon reduction targets as described above (see What environmental and/or social characteristics are promoted by this financial product?).
5. The weighted average ratio of overall green revenue to fossil fuels-based revenue as described above (see What environmental and/or social characteristics are promoted by this financial product?).
6. The exposure to sectors with a high impact on climate change as described above (see What environmental and/or social characteristics are promoted by this financial product?).
7. The GHG intensity relative to the Parent Index as described above (see What environmental and/or social characteristics are promoted by this financial product?).
8. The potential GHG intensity relative to the Parent Index as described above (see What environmental and/or social characteristics are promoted by this financial product?).
9. The decarbonisation rate of GHG intensity per year as described above (see What environmental and/or social characteristics are promoted by this financial product?).
10. The ESG scores per sector of the Parent Index as described above (see What environmental and/or social characteristics are promoted by this financial product?).
11. The Fund's investments qualifying as sustainable investments as described below (see What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?).
12. The consideration of the principal adverse impacts on sustainability factors as identified in the table below (see Does this financial product consider principal adverse impacts on sustainability factors?).

The ESG selection criteria of the Benchmark Index is applied by the index provider at each index rebalance. At each index rebalance (or as soon as possible and practicable thereafter), the portfolio of the Fund is also rebalanced in line with its Benchmark Index.

Where the Fund's portfolio ceases to meet any of these characteristics in between index rebalances, the Fund's portfolio will be re-aligned at the next index rebalance (or as soon as possible and practicable thereafter) in accordance with the Benchmark Index.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

By investing in a portfolio of equity securities that, as far as possible and practicable, consists of the component securities of the Fund's Benchmark Index, a proportion of the Fund's investments will be in activities deemed to contribute to positive environmental and/or social impacts or in companies which have committed to science-based carbon reduction targets (as described below).

The Fund's Benchmark Index seeks to allocate a proportion of the Benchmark Index to companies that either: (1) derive a minimum percentage of their revenue from products or services with positive impacts on the environment and/or society, or (2) have one or more active carbon emissions reduction target(s) approved by the Science Based Targets initiative (SBTi).

The Benchmark Index uses the MSCI ESG Sustainable Impact Metrics which aim to measure revenue exposure to positive sustainable impacts in line with the United Nations' Sustainable Development Goals, the European Union Taxonomy and other sustainability-related frameworks. The MSCI ESG Sustainable Impact Metrics consider positive environmental impacts in relation to themes such as climate change and natural capital and seek to identify those companies that may derive revenues from activities (or related activities) such as alternative energy, energy efficiency and green building, sustainable water, pollution prevention and control and sustainable agriculture. The MSCI ESG Sustainable Impact Metrics also consider positive societal impacts in relation to themes such as basic needs and empowerment and seek to identify those companies that may derive revenues from activities (or related activities) such as nutrition, major disease treatments, sanitation, affordable real estate, small and medium enterprises (SMEs) finance, education and connectivity.

The environmental and social themes together with the revenue alignment thresholds are determined by the index provider and are applied at each index rebalance of the Benchmark Index.

The Benchmark Index also seeks to identify constituents with a commitment to one or more active carbon emissions reduction target(s) approved by the SBTi. The SBTi seeks to provide a clearly defined pathway for companies and financial institutions to reduce greenhouse gas (GHG) emissions to align with the goals of the Paris Agreement and help prevent the worst impacts of climate change.

The sustainable investments within the Fund may contribute to either an environmental objective or a social objective or a combination of the two. The combination of sustainable investments with an environmental or social objective may change over time depending on the activities of the companies within the starting universe of the Benchmark Index.



● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

At each index rebalance, all investments qualifying as sustainable are screened by the index provider against certain minimum environmental and social indicators. As part of the screening criteria applied by the index provider, companies are assessed on their involvement in activities deemed to have highly negative environmental and social impacts. Where a company has been identified by the index provider as being involved in activities with highly negative environmental and social impacts, it shall not be eligible as a sustainable investment. By tracking the Benchmark Index which incorporates these environmental and social related screens, the Investment Manager has determined that, at each index rebalance (or as soon as possible and practicable thereafter), the Fund's investments qualifying as sustainable, will not cause significant harm to any environmental or social sustainable objective within the meaning of applicable law and regulation.

— How have the indicators for adverse impacts on sustainability factors been taken into account?

The mandatory indicators for adverse impacts on sustainability factors (as set out in the Regulatory Technical Standards (RTS) under the SFDR) are considered at each index rebalance through the screening criteria applied by the index provider in the selection of index constituents qualifying as sustainable.

As a result of the screening criteria applied by the index provider, the following investments within the Benchmark Index shall not qualify as sustainable investments: (1) companies deriving a minimum % revenue from thermal coal (as determined by the index provider) which is significantly carbon intensive and a major contributor to greenhouse gas emissions (taking into account indicators relating to GHG emissions) (2) companies with an “orange” MSCI ESG controversy flag that have been deemed to be involved in severe ESG controversies (including in relation to indicators concerning greenhouse gas emissions, biodiversity, water, waste and social and employee matters), and (3) companies with an MSCI ESG rating of B or below, which are deemed to be lagging industry peers based on their high exposure and failure to manage significant ESG risks (including in relation to indicators concerning greenhouse gas emissions, biodiversity, water, waste, unadjusted gender pay gap and board gender diversity).

At each index rebalance, the Benchmark Index also excludes: (1) companies with a “red” MSCI ESG controversy flag which includes companies determined to be in violation of international and/or national standards (taking into account indicators concerning violations of United Nations Global Compact principles and OECD Guidelines for Multinational Enterprises), and (2) companies determined to have any tie to controversial weapons (taking into account indicators concerning ties to controversial weapons).

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

— How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Fund’s Benchmark Index excludes issuers with a “red” ESG controversy flag which excludes issuers which have been determined by the index provider to be in violation of the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises. The Benchmark Index applies the above exclusionary criteria at each index rebalance.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes
☐ No

Yes, the Fund takes into consideration principal adverse impacts on sustainability factors by tracking the Benchmark Index which incorporates certain ESG criteria in the selection of index constituents. The Investment Manager has determined that those principal adverse impacts (PAIs) marked as “X” in the table below are considered as part of the selection criteria of the Benchmark Index at each index rebalance.

The Fund's annual report will include information on the principal adverse impacts on sustainability factors set out below.

	PAI Description	Benchmark Index Selection Criteria				
		Minimum % reduction of carbon emission intensity and potential carbon emissions targets	Exclusion of issuers deriving % revenue from thermal coal and unconventional oil and gas	Exclusion of issuers based on an MSCI ESG Controversy Score	Exclusion of issuers classified as violating United Nations Global Compact principles	Exclusion of issuers determined to have any tie to controversial weapons
Greenhouse Gas (GHG) emissions	1. (a) GHG emissions (Scope 1/2)	X				
	1.(b) GHG emissions (Scope 3)	X				
	2. Carbon footprint	X				
	3. GHG intensity	X				
	4. % in Fossil Fuels		X			
	5. Non-Renewable / Renewable %					
	6. High impact sector energy consumption					
Biodiversity	7. Negative impact to Biodiversity sensitive areas			X		
Water	8. Emissions to Water			X		
Waste	9. Hazardous Waste			X		
Social and employee matters	10. UNGC+OECD Violations			X	X	
	11. UNGC+OECD Process, Monitoring					
	12. Unadjusted gender pay gap					
	13. Board gender diversity					
	14. Controversial weapons					X

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The investment policy of the Fund is to invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities of the Benchmark Index and thereby comply with the ESG characteristics of its Benchmark Index. The index methodology of its Benchmark Index is described above (see What environmental and/or social characteristics are promoted by this financial product? above).

By investing in the constituents of its Benchmark Index, the Fund's investment strategy enables it to comply with the ESG requirements of its Benchmark Index as determined by the index provider. In the event that any investments cease to comply, the Fund may continue to hold such investments only until such time as the relevant securities cease to form part of the Benchmark Index and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Fund may use optimisation techniques in order to achieve a similar return to the Benchmark Index which means that it is permitted to invest in securities that are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. If the Fund does so, its investment strategy is to invest only in issuers in the Benchmark Index or in issuers that meet the ESG requirements of the Benchmark Index at the time of purchase. If such securities cease to comply with the ESG requirements of the Benchmark Index, the Fund may hold such securities only until the next portfolio rebalance and when it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The strategy is implemented at each portfolio rebalance of the Fund, which follows the index rebalance of its Benchmark Index.

Governance Processes

The Investment Manager carries out due diligence on the index providers and engages with them on an ongoing basis with regard to index methodologies including their assessment of good governance criteria set out by the SFDR which include sound management structures, employee relations, remuneration of staff and tax compliance at the level of investee companies.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the investment strategy are that the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities of the Benchmark Index and thereby comply with the ESG characteristics of its Benchmark Index.

As the Fund is able to use optimisation techniques and may invest in securities that are not underlying constituents of the Benchmark Index, where it does so, its investment strategy is to invest only in issuers in the Benchmark Index or in issuers that meet the ESG requirements of the Benchmark Index at the time of purchase.

In the event that any investments cease to comply with the ESG requirements of the Benchmark Index, the Fund may continue to hold such investments only until such time as the relevant securities cease to form part of the Benchmark Index and/or it is possible and practicable (in the Investment Manager's view) to liquidate the position.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of the Fund's investments.

The Fund's Benchmark Index seeks to reduce the number of constituents from the Parent Index through the application of the ESG selection criteria. However, there is no minimum rate of reduction applied or targeted by the index provider in the selection of constituents for the Benchmark Index.

The rate of reduction may vary over time depending on the issuers that make up the Parent Index. For example, if issuers in the Parent Index engage in fewer activities that are excluded from the Parent Index based on the ESG selection criteria applied by the Benchmark Index, the rate of reduction may reduce over time. Conversely, if the index provider increases the ESG selection criteria in the Benchmark Index as ESG standards evolve, the rate of reduction may increase over time.

- ***What is the policy to assess good governance practices of the investee companies?***

Good governance checks are incorporated within the methodology of the Benchmark Index. At each index rebalance, the index provider excludes companies from the Benchmark Index based on an ESG controversy score (which measures an issuer's involvement in ESG related controversies) and excludes companies that are classified as violating United Nations Global Compact principles (see What environmental and/or social characteristics are promoted by this financial product? above).

Good governance
practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

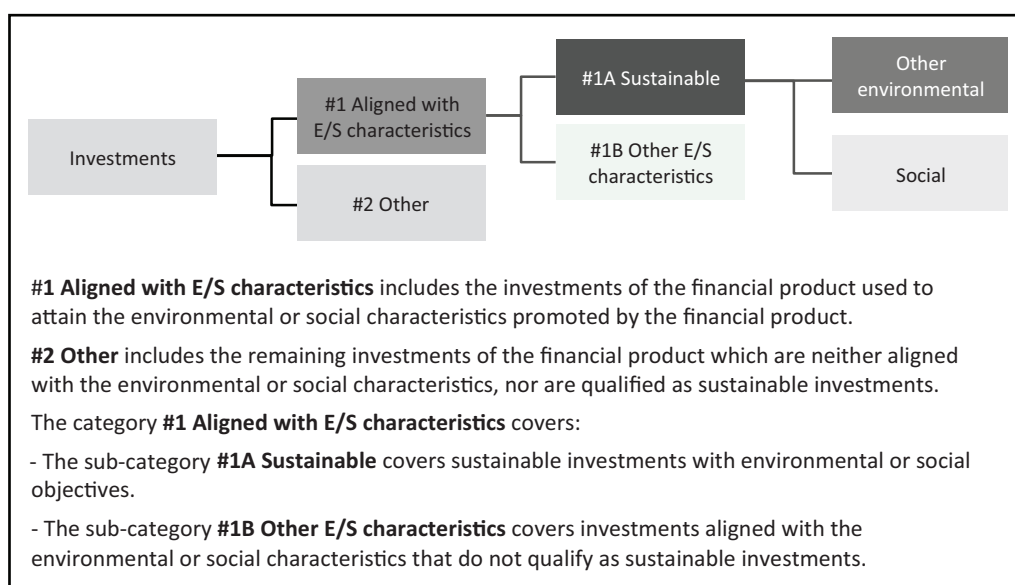
The Fund seeks to invest in a portfolio of securities that as far as possible and practicable consists of the component securities of the Benchmark Index.

It is expected that at least 80% of the Fund's assets will be invested in securities within the Benchmark Index. As such, at each index rebalance (or as soon as reasonably possible and practicable thereafter), the portfolio of the Fund will be rebalanced in line with its Benchmark Index so that at least 80% of the Fund's assets will be aligned with the ESG characteristics of the Benchmark Index (this includes 30% of the Fund's assets that are qualified as sustainable investments) (as determined at that rebalance).

In the event that any investments cease to comply with the ESG requirements of the Benchmark Index, the Fund may continue to hold such investments until such time as the relevant securities cease to form part of the Benchmark Index and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The assessment of the Fund's investments qualifying as sustainable is determined on or around each index rebalance, where the Fund's portfolio is rebalanced in line with its Benchmark Index. Where any investment ceases to qualify as a sustainable investment between index rebalances, the Fund's holdings in sustainable investments may fall below the minimum proportion of sustainable investments.

The Fund may invest up to 20% of its assets in other investments ("#2 Other").



● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management in connection with the environmental or social characteristics promoted by the Fund. Where the Fund uses derivatives for promoting environmental or social characteristics, any ESG rating or analyses referenced above will apply to the underlying investment.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not currently commit to investing more than 0% of its assets in sustainable investments with an environmental objective aligned with the EU Taxonomy.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ Yes

☐ In fossil gas

☐ In nuclear energy

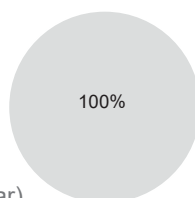
✓ ☒ No

The Fund does not currently commit to invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

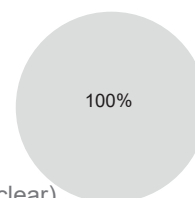
1. Taxonomy-alignment of investments including sovereign bonds*

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned: (no fossil gas & nuclear)
- Non Taxonomy-aligned



2. Taxonomy-alignment of investments excluding sovereign bonds*

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned: (no fossil gas & nuclear)
- Non Taxonomy-aligned



**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **What is the minimum share of investments in transitional and enabling activities?**

This Fund does not currently commit to investing more than 0% of its assets in investments in transitional and enabling activities within the meaning of the Taxonomy Regulation.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

A minimum of 30% of the Fund's assets will be invested in sustainable investments. These sustainable investments will be a mix of sustainable investments with either an environmental objective that is not committed to align with the EU Taxonomy or a social objective or a combination of the two. The combination of sustainable investments with an environmental or social objective may change over time depending on the activities of the issuers within the Benchmark Index. The assessment of the Fund's investments qualifying as sustainable is determined on or around each index rebalance, where the Fund's portfolio is rebalanced in line with its Benchmark Index.



What is the minimum share of socially sustainable investments?

A minimum of 30% of the Fund's assets will be invested in sustainable investments. These sustainable investments will be a mix of sustainable investments with either an environmental objective that is not committed to align with the EU Taxonomy or a social objective or a combination of the two. The combination of sustainable investments with an environmental or social objective may change over time depending on the activities of the issuers within the Benchmark Index. The assessment of the Fund's investments qualifying as sustainable is determined on or around each index rebalance, where the Fund's portfolio is rebalanced in line with its Benchmark Index.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Other holdings may include cash, money market funds and derivatives. Such investments may only be used for the purpose of efficient portfolio management, except for derivatives used for currency hedging for any currency hedged share class.

Any ESG rating or analyses applied by the index provider will apply only to the derivatives relating to individual issuers used by the Fund. Derivatives based on financial indices, interest rates, or foreign exchange instruments will not be considered against minimum environmental or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes, this Fund seeks to achieve the environmental and social characteristics it promotes by tracking the performance of the MSCI Europe ESG Enhanced Focus CTB Index, its Benchmark Index, which incorporates the index provider's ESG selection criteria.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

At each index rebalance, the index provider applies the ESG selection criteria to the Parent Index to exclude issuers that do not meet such ESG selection criteria.

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

At each index rebalance (or as soon as possible and practicable thereafter), the portfolio of the Fund is also rebalanced in line with its Benchmark Index.

● ***How does the designated index differ from a relevant broad market index?***

The Benchmark Index has been labelled by the index provider as an EU Climate Transition benchmark (within the meaning of the Benchmarks Regulation) and therefore has to be constructed in accordance with the minimum standards prescribed by the Benchmarks Regulation. The Benchmark Index selects, weights and, where applicable, excludes issuers from the Parent Index to align with the climate commitments laid down in the Paris Agreement.

The ESG selection criteria that is applied by the index provider is set out above (see What environmental and/or social characteristics are promoted by this financial product?).

● ***Where can the methodology used for the calculation of the designated index be found?***

The methodology of the Fund's Benchmark Index can be found by copying and pasting the following link into your web browser: <https://www.msci.com/index/methodology/latest/ESGEnhancedFocusCTB>

The methodology of the Fund's Benchmark Index can also be found on the index provider's website at <https://www.msci.com/index-methodology>



Where can I find more product specific information online?

More product-specific information can be found on the website:

For further details specific to this Fund, please refer to the sections of this prospectus entitled 'Investment Objective' and 'Investment Policy', 'SFDR' and also the product page for the Fund, which can be found by typing the name of the Fund into the search bar on the iShares website: www.iShares.com