

**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 ESG Screened Euro Corporate Bond Index Fund (IE)  
Legal entity identifier: 549300MSVOSETI8CQQ59**

**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 \_\_\_\_% 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 seeks to promote the following environmental and social characteristics by tracking the performance of the Bloomberg Euro Aggregate Corporate Index, its Benchmark Index, and applying an ESG policy that:

1. excludes issuers involved in certain activities deemed to have negative environmental and/or social outcomes;
2. excludes issuers deemed to have violated United Nations Global Compact principles; and
3. excludes issuers deemed to be involved in very severe ESG related controversies.

These environmental and social characteristics are incorporated through the application of the ESG policy when selecting fixed income securities that predominantly make up the Fund's Benchmark Index. The Fund excludes issuers based on their involvement in certain activities deemed to have negative environmental or social outcomes. Issuers are excluded based on their involvement in the following business lines/activities (or related activities):

- controversial weapons
- nuclear weapons
- civilian firearms
- thermal coal
- tobacco
- oil sands

The Investment Manager 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.

As part of the Fund's ESG policy, the Investment Manager also excludes issuers 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) and/or which have a 'red' MSCI ESG controversy flag (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.

The Fund does not use a reference benchmark for the purposes of attaining the ESG characteristics that it promotes. Whilst the Fund seeks to track the performance of the Bloomberg Euro Aggregate Corporate Index, the environmental and/or social characteristics promoted by the Fund are achieved through the application of the Fund's ESG Policy.

**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 are used to measure the attainment of the environmental or social characteristics promoted by the Fund:

1. The exclusion of issuers involved in certain activities deemed to have negative environmental and/or social outcomes (see What environmental and/or social characteristics are promoted by this financial product? above).
2. The exclusion of companies classified as violating United Nations Global Compact principles above (see What environmental and/or social characteristics are promoted by this financial product?).
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?).
4. 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?).

- ***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?***

Not applicable as the Fund does not commit to investing in sustainable investments.



- ***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?***

Not applicable as the Fund does not commit to investing in sustainable investments.

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

Not applicable as the Fund does not invest in sustainable investments.

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

Not applicable as the Fund does not commit to investing in sustainable investments.

*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 through the application of the Fund’s ESG Policy. The Investment Manager has determined that those principal adverse impacts (PAIs) marked as “X” in the table below are considered as part of the application of the Fund’s ESG Policy 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		
		Exclusion of issuers based on certain environmental screens (listed above)	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)			
	1.(b) GHG emissions (Scope 3)			
	2. Carbon footprint			
	3. GHG intensity			
	4. % in Fossil Fuels	X		
	5. Non-Renewable / Renewable %			
Biodiversity	6. High impact sector energy consumption			
	7. Negative impact to Biodiversity sensitive areas			
Water	8. Emissions to Water			
Waste	9. Hazardous Waste			
Social and employee matters	10. UNGC+OECD Violations		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 fixed income securities that predominantly consists of the component securities of the Benchmark Index and apply the Fund’s ESG policy outlined above (see What environmental and/or social characteristics are promoted by this financial product?) to such fixed income securities in which the Fund invests.

The Fund’s ESG policy does not form part of the Fund’s Benchmark Index and accordingly may introduce additional tracking error.

- **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 as follows:

1. Apply exclusionary screens; and
2. Ensure the Fund considers the principal adverse sustainability impacts as described above.

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

- **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.

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

Governance checks are incorporated into the Fund’s strategy by way of excluding issuers based on an ESG controversy score (which measures an issuer’s involvement in ESG related controversies) and also the exclusion of companies that are classified as violating United Nations Global Compact principles.



**What is the asset allocation planned for this financial product?**

**Asset allocation** describes the share of investments in specific assets.

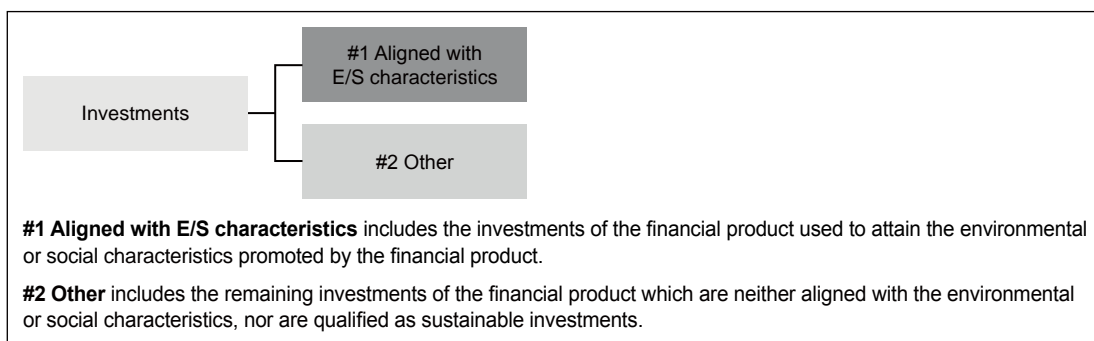
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

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 and comply with the Fund’s ESG Policy.

It is expected that at least 80% of the Fund’s assets will be invested in investments that are aligned with environmental and/or social characteristics promoted by the Fund. In the event that any investments cease to comply with the Fund’s ESG policy, the Investment Manager will liquidate the position as soon as it is possible and practicable (in the Investment Manager’s view) to do so.

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?**

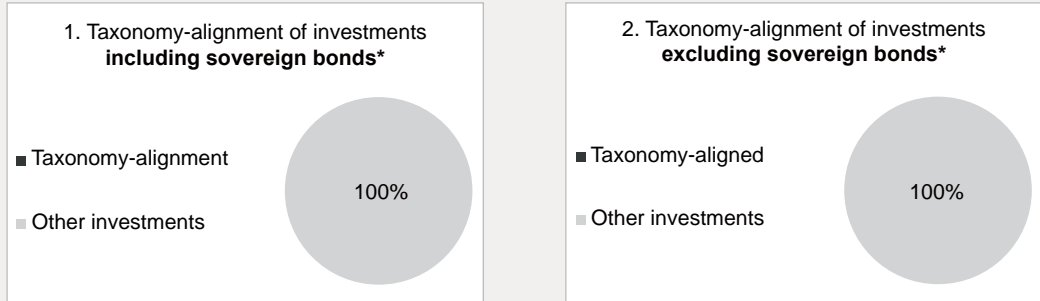
The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management in connection with the environmental or social characteristics promoted by the Fund. Where the Fund uses derivatives for promoting environmental or social characteristics, any ESG rating or analyses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



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

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

*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.*



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

**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.



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



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

- **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.



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

Not applicable as the Fund does not commit to investing in sustainable investments with an environmental objective.



- **What is the minimum share of socially sustainable investments?**

This Fund does not currently commit to investing more than 0% of its assets in investments in socially sustainable investments.



- **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 exclusionary criteria applied by the Investment Manager 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?**

No, whilst the Fund seeks to track the performance of the Bloomberg Euro Aggregate Corporate Index, the environmental and/or social characteristics promoted by the Fund are achieved through the application of the Fund's ESG Policy.

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

Not applicable.

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

Not applicable.

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

Not applicable.

- **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 on the index provider's website by copying and pasting the following link into your web browser: <https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices/#/ucits>

**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 Objectives and Policies' 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](http://www.iShares.com)