

**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 S&P 500 Paris-Aligned Climate UCITS ETF  
Legal entity identifier: 5493001V8UB7HN551374**

**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?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b>	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



**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 S&P 500 Net Zero 2050 Paris-Aligned Sustainability Screened 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 or are at risk of violating commonly accepted international norms and standards;
3. exposure to Issuers which have been selected and weighted to align with the climate commitments laid down in the Paris Agreement; and
4. exposure to investments qualifying as sustainable investments.

These environmental and social characteristics are incorporated through the selection 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 Paris-aligned Benchmark ("PAB") (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.

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The Benchmark Index excludes issuers from the S&P 500 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
- small arms
- tobacco
- oil sands
- shale energy
- fossil fuel operations and power generation (including coal exploration or processing, oil exploration or processing, natural gas exploration or processing and power generation relating to coal, petroleum, natural gas and biomass power generation)

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 or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

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 50% compared to the Parent Index;
- reduce the weighted average GHG intensity (Scope 1+2+3) by 7% on an annual basis;
- align to a 1.5°C global warming scenario, based on a calculation of the constituents' carbon budgets and emissions using historical and future projections;
- increase exposure to companies with Science Based Targets from the Science Based Target Initiative (SBTI) that are credible and consistent with the above decarbonization trajectory;
- target an 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 PAB to include exposure to sectors that have a need to actively reduce GHG emissions);
- target a minimum increase in the S&P DJI environmental score relative to the Parent Index;
- target a minimum reduction in weighted average physical risk scores relative to the Parent Index;
- target a minimum reduction in fossil fuel reserves exposure relative to the Parent Index
- manage and increase exposure to potential climate change opportunities through controlled and higher green-to-brown revenue share relative to the Parent Index; and
- cap exposure to companies that have insufficiently disclosed their GHG emissions.

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?](#)).

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2. The exclusion of issuers deemed to have violated commonly accepted international norms and standards (see What environmental and/or social characteristics are promoted by this financial product?).
3. 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?).
4. The green-to-brown revenue share relative to the Parent Index (see What environmental and/or social characteristics are promoted by this financial product?).
5. The capped exposure to companies that have insufficiently disclosed their GHG emissions (see What environmental and/or social characteristics are promoted by this financial product?).
6. The S&P DJJ environmental score relative to the Parent Index (see What environmental and/or social characteristics are promoted by this financial product?).
7. The physical risk scores relative to the Parent Index (see What environmental and/or social characteristics are promoted by this financial product?).
8. 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?).
9. The GHG Intensity relative to the Parent Index as described above (see What environmental and/or social characteristics are promoted by this financial product?).
10. The exposure to fossil fuel reserves relative to the Parent Index (see What environmental and/or social characteristics are promoted by this financial product?).
11. The decarbonisation rate of GHG intensity per year as described above (see What environmental and/or social characteristics are promoted by this financial product?).
12. The alignment to a 1.5°C global warming scenario as described above (see What environmental and/or social characteristics are promoted by this financial product?).
13. 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?).
14. 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?***

The Fund's investments qualifying as sustainable will be either in: (1) activities deemed to contribute to positive environmental and/or social impacts, or (2) companies which have committed to one or more active carbon emissions reduction target(s) approved by the Science Based Targets initiative (SBTi).

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The Fund's investments will be assessed against their 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 positive environmental impacts considered as part of this assessment may relate to themes such as climate change and natural capital and identify 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 positive societal impacts considered as part of this assessment may relate to themes such as basic needs and empowerment and identify companies that may derive revenues from activities (or related activities) such as nutrition, major disease treatments, sanitation, affordable real estate, small and medium enterprises (SME) finance, education and connectivity.

The Fund's investments will also be assessed on their 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 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.



● **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 assessed against certain minimum environmental and social indicators. As part of the assessment, companies are assessed on their involvement in activities deemed to have highly negative environmental and social impacts. Where a company has been identified as being involved in activities with highly negative environmental and social impacts, it shall not be eligible as a sustainable investment.

— *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 assessment of the Fund's investments qualifying as sustainable.

Following this assessment, the following investments shall not qualify as sustainable investments: (1) companies deemed to be deriving at least 1% of their revenue from thermal coal which is significantly carbon intensive and a major contributor to greenhouse gas emissions (taking into account indicators relating to GHG emissions) (2) companies that have been deemed to be involved in severe ESG related controversies (taking into account indicators relating to greenhouse gas emissions, biodiversity, water, waste and social and employee matters), and (3) companies which are deemed to be lagging industry peers based on their high exposure and failure to manage significant ESG risks (taking into account indicators relating to 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 which are classified as violating or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs) and their underlying conventions and (2) companies determined to have any tie to controversial weapons (taking into account indicators concerning ties to controversial weapons).

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— 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 which are classified as violating or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs) and their underlying conventions. 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 not 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	Minimum % reduction of weight-average carbon intensity	Exclusion of issuers based on certain environmental screens (listed above)	Exclusion of issuers deemed to be involved in serious ESG related controversies	Exclusion of issuers classified as violating United Nations Global Compact principles	Exclusion of issuers determined to have any tie to controversial weapons	Green to brown revenue share
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 %						X
Biodiversity	6. High impact sector energy consumption						
	7. Negative impact to Biodiversity sensitive areas			X			
Water	8. Emissions to Water			X			
Waste	9. Hazardous Waste			X			

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	PAI Description	Minimum % reduction of weight-average carbon intensity	Exclusion of issuers based on certain environmental screens (listed above)	Exclusion of issuers deemed to be involved in serious ESG related controversies	Exclusion of issuers classified as violating United Nations Global Compact principles	Exclusion of issuers determined to have any tie to controversial weapons	Green to brown revenue share
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 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). The Fund seeks to replicate the constituents of the Benchmark Index by holding all of the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index where possible and practicable.

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 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.

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 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.

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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.

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

### ● **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. The index provider applies a daily filtering, screening and analysis of controversies related to companies within the Benchmark Index. Controversies which may be considered by the index provider include economic crime and corruption, fraud, illegal commercial practices, human rights issues, labour disputes, workplace safety, catastrophic accidents and environmental disasters. Issuers may be removed from the Benchmark Index based on an assessment by the index provider of their involvement in serious ESG related controversies. The Benchmark Index also 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).



**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

### **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.

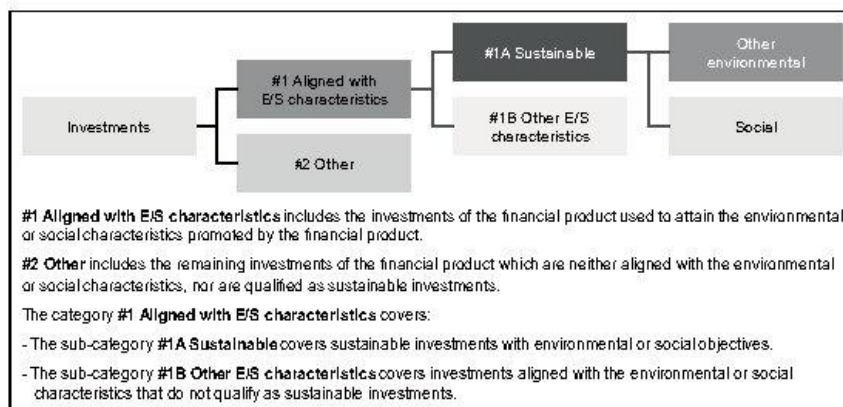
It is expected that at least 80% of the Fund's assets will be invested in securities within the Benchmark Index. As such, at each index rebalance (or as soon as reasonably possible and practicable thereafter), the portfolio of the Fund will be rebalanced in line with its Benchmark Index so that at least 80% of the Fund's assets will be aligned with the ESG characteristics of the Benchmark Index (this includes 15% 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

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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.

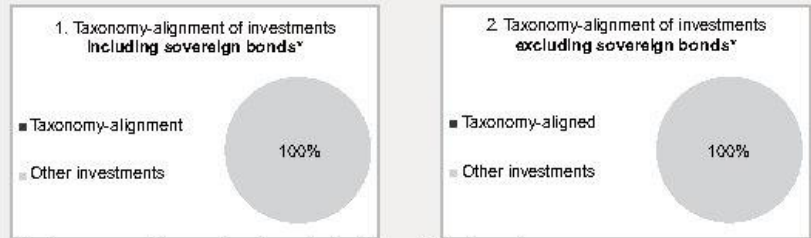




**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

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.

*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.

● **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?**

A minimum of 15% 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 15% 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.



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

● **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 S&P 500 Net Zero 2050 Paris-Aligned Sustainability Screened Index, its Benchmark Index, which incorporates the index provider's ESG selection criteria.

● **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.

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- **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 Paris-aligned 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.spglobal.com/spdji/en/indices/esg/sp-500-net-zero-2050-paris-aligned-sustainability-screened-index/#overview>



#### **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](http://www.iShares.com)