

PRODUCT: iShares Environment & Low Carbon Tilt Real Estate Index Fund (UK) (the "**Fund**")

MANAGER: BlackRock Fund Managers Limited (the "**Manager**")

DATE: 29 November 2024

FCA PRODUCT REFERENCE NUMBER: 645677

This Fund does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not use a sustainability label because whilst the Fund tracks an index which applies environmental, social or governance ("ESG") criteria (as described below), the Fund does not have a specific sustainability goal. This is because the Fund follows a passive strategy and the index which the Fund tracks may not meet the criteria of any sustainability label.

Sustainability Approach

The Fund tracks the performance of the FTSE EPRA NAREIT Developed Green Low Carbon Target Index (the "**Benchmark Index**"). The Benchmark Index aims to reflect the performance of a sub-set of equity securities in the FTSE EPRA NAREIT Developed Index (the "**Parent Index**") which remain after the index provider has excluded securities using pre-defined ESG screens and weighted securities using an optimisation process, as described below. These ESG criteria may not apply to investments held by the Fund for efficient portfolio management and liquidity purposes which are not included in the Benchmark Index (including derivatives, money market instruments, deposits and units in collective investment schemes). However, exposure to such assets will not exceed 20% of the Fund's total assets.

The Benchmark Index excludes issuers based on their involvement in certain activities deemed by the index provider 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): (i) small arms; (ii) thermal coal; (iii) oil sands; (iv) tobacco; and (v) controversial weapons (chemical and biological weapons, cluster weapons, anti-personnel mines, nuclear weapons, white phosphorus and depleted uranium).

The index provider's definition of "involvement" in each activity may be based on specific revenue thresholds, or any connection to an activity regardless of the amount of revenue received.

Where data is unavailable in respect of an issuer's involvement in the restricted activities described above, that issuer will be excluded from the Benchmark Index.

The Benchmark Index also excludes issuers which are classified as violating the United Nations Global Compact ("**UNGC**") Principles.

Once the exclusion screens are applied, the remaining constituent weights are then adjusted (tilted) based on targeted percentage improvements (in each case relative to the Parent Index) across three sustainable investment considerations: green building certification (the share of total net leasable area owned and/or managed by a company that is certified as part of an eligible green certification scheme) (target 30% improvement), energy usage (the average modelled energy consumption per square metre of net leasable area owned and/or managed by a company) (target 10% improvement); and carbon emissions intensity (which is the total operational emissions scaled by company value including cash) (target 20% improvement); subject to, in each case, certain optimisation parameters applicable to the portfolio. Please refer to the risk factor set out in section 20 (*Use of optimisers in Benchmark Indices*) of the Fund's prospectus for more information.

The calculation of carbon emission intensity includes Scope 1 greenhouse gas ("**GHG**") emissions and Scope 2 GHG emissions but excludes Scope 3 GHG emissions.

Where data is unavailable for an issuer's green building certification or energy usage, that issuer is allocated a score of zero. Where data is unavailable for an issuer's carbon emissions intensity, that issuer is allocated the average score of its REIT sector or zero if the sector average score is not available.

Further details regarding the Benchmark Index and the Parent Index (including their constituents and the ESG methodology for the Benchmark Index (including any specific revenue thresholds)) are available on the index provider's website at: <https://www.ftserussell.com/products/indices/epra-nareit-green>.

Sustainability Metrics

The ESG criteria described above were met through the Fund closely tracking the Benchmark Index. The following table provides information about the performance of these ESG criteria during the reference period which is from 1 March 2024 to 31 August 2024. The figures presented are based on the data as at the rebalance date(s) during this reference period, which are averaged to produce the single figure shown in the table below.

Sustainability Metric	Description	Fund	Parent Index
Constituent weights adjusted based on percentage improvements in green building certification	Share of total net leasable area owned and/or managed by a company that is certified as part of an eligible green certification scheme Target: 30% improvement relative to Parent Index	N/A*	N/A*
Constituent weights adjusted based on percentage improvements in energy usage	Average modelled energy consumption per square metre of net leasable area owned and/or managed by a company Target: 10% improvement relative to Parent Index	N/A*	N/A*
Constituent weights adjusted based on percentage improvements in carbon emissions intensity	Weighted average carbon intensity (total operational emissions scaled by company value including cash) Target: 20% improvement relative to Parent Index	N/A*	N/A*
Exclusion of issuers involved in certain restricted activities (as described above)	% market value exposure to issuers involved in certain activities deemed to have negative environmental and/or social outcomes	0.00%	0.00%
Exclusion of issuers classified as violating UNGC Principles	% market value exposure to companies classified as violating UNGC Principles	0.00%	0.00%

*The Fund only rebalances on an annual basis in September and at the rebalance point BlackRock monitors the exclusionary screens and 3 weighted average metrics (as detailed in the table above). Given there has been no rebalance during the interim reporting cycle (1 March 2024 – 31 August 2024), the Investment Manager is unable to provide results for the 3 weighted average metrics, since data as at a date which is not the rebalance date can lead to inaccurate disclosures. However, we have provided the results of the exclusionary screens as of 31 August 2024 given neither the Fund nor the Benchmark Index hold any securities that are failing the issuer-level commitments.

Additional Information

Pre-contractual disclosure: Please see the Fund's prospectus, which is available by searching the name of the Fund on the following website: www.blackrock.com/uk/education/library.

Product-level sustainability report: Not currently available.

Sustainability entity report: Not currently available.

Other non-sustainability related information: Please see the Fund's key investor information document, which is available by searching the name of the Fund on the following website: <https://www.blackrock.com/uk/solutions/library/gls-library-uk?materialType=kiid>.