



# Groepsverzekeringen voor loontrekkenden

## Precontractueel document inzake duurzaamheid

Precontractuele informatie voor financiële producten als bedoeld in artikel 8, leden 1, 2 en 2 bis, van Verordening (EU) 2019/2088 en in artikel 6, eerste alinea, van Verordening (EU) 2020/852, en overeenkomstig artikel 20 van Gedelegeerde Verordening (EU) 2022/1288

Versie : 05/06/2023

De duurzaamheidsinformatie in dit precontractuele productdocument werd naar best vermogen opgesteld door NN Insurance Belgium nv op basis van de informatie die hierover momenteel beschikbaar is bij de asset managers. De regelgeving die deze asset managers verplicht om deze informatie beschikbaar te stellen is echter pas op 1 januari 2023 in werking getreden. De informatie in dit document kan worden gewijzigd en/of aangevuld naargelang van de informatie die de asset managers in de komende maanden zullen verstrekken.

## 1. Integratie van duurzaamheidsrisico's

Volgens de Europese verordening (EU) 2019/2088 inzake duurzaamheidsverslaglegging in de financiële dienstensector (Sustainable Finance Disclosure Regulation, hierna genoemd "SFDR") is NN Insurance Belgium verplicht informatie openbaar te maken over haar beleid inzake de integratie van duurzaamheidsrisico's in haar investeringsbesluitvormingsproces.

NN Insurance Belgium past het *Responsible Investment Framework Policy* van NN Group (Hierna de "RI Framework policy") toe beschikbaar op: <https://www.nn-group.com/sustainability/responsible-investment/responsible-investment-policy-framework.htm>. Dit ondersteunt de "systematische integratie van ecologische, sociale en governance factoren (hierna, "ESG-factoren") in het beleggingsproces, waardoor zowel risico's als kansen worden beheerst. NN Insurance Belgium beschouwt ESG-factoren in dit verband als de "ecologische, sociale en werkgelegenheidszaken, eerbiediging van de mensenrechten, en bestrijding van corruptie en van omkoping."

Dit RI Framework policy biedt dus richtlijnen voor NN Insurance Belgium om beter geïnformeerde investeringsbeslissingen te nemen, waarbij het risico/rendementsprofiel van de investeringsportefeuilles wordt geoptimaliseerd, terwijl in het investeringsproces rekening wordt gehouden met de kernwaarden van de NN Group. Deze manier van integratie van duurzaamheidsrisico's in het investeringsbesluitvormingsproces zorgt ervoor dat de activiteiten van NN Insurance Belgium beter aansluiten bij de bredere duurzaamheidsdoelstellingen en -verwachtingen van de samenleving.

In de RI Framework policy definieert NN Insurance Belgium ESG-risico als "het risico van (in)directe betrokkenheid bij de schending van ecologische- en sociale standaarden en normen". In de SFDR wordt de term "Duurzaamheidsrisico" gebruikt, terwijl NN Group in de RI Framework policy de term "ESG-risico" hanteert. Deze termen worden als gelijkwaardig beschouwd.

De RI Framework policy is van toepassing op alle beleggingscategorieën zowel op de eigen activa van NN Insurance Belgium als op de activa van klanten zoals gedefinieerd in het RI Framework policy. Volgens de vermogensbeheerder zal het RI-kaderbeleid echter op de volgende onderscheiden wijze worden toegepast.

### *i. Toepassing wanneer NN Insurance Belgium belegt in beleggingsfondsen die worden beheerd door externe vermogensbeheerders*

Aan beleggingsfondsen die worden beheerd door externe vermogensbeheerders kan het RI Framework-beleid van NN Group niet worden opgelegd. Daarom kunnen met name de RI-strategieën niet op deze beleggingsfondsen worden toegepast. Om dezelfde reden kan ook de NN Group Restricted List (restrictielijst) niet worden toegepast. Dit is een lijst van bedrijven en staatsobligaties van bepaalde landen waarin niet geïnvesteerd mag worden.



NN Insurance Belgium bewaakt echter de samenstelling van het fonds en vraagt vermogensbeheerders naar diens beleid voor verantwoord beleggen, waaronder restrictielijsten (lijst van bedrijven, sectoren,...) waarin niet geïnvesteerd mag worden.

Rekening houdend met onder meer de RI-strategieën en uitsluitingscriteria is NN Insurance Belgium van mening dat de waarschijnlijke impact van ESG-risico's gering zal zijn op de prestaties van de financiële producten die NN Insurance Belgium beschikbaar stelt.

Bij de beoordeling van het waarschijnlijke effect van ESG-risico's wordt rekening gehouden met de thans beschikbare regelgeving en praktische richtsnoeren. Zij kan derhalve worden herzien naarmate de regelgeving en de praktische richtsnoeren ter zake evolueren.

## **2. Indeling van de fondsen (beleggingsopties)**

In groepsverzekeringen voor loontrekkenden is er keuze voor de inrichter uit 46 onderliggende beleggingsfondsen, waarvan sommige ecologische en/of sociale kenmerken promoten of een duurzame beleggingsdoelstelling nastreven. Het interne fonds belegt voor 100% in het onderliggende beleggingsfonds. De doelstelling en beleggingsbeleid van het interne fonds komt 100% overeen met de doelstelling en het beleggingsbeleid van het onderliggende beleggingsfonds.

Op basis van de informatie van de vermogensbeheerder van de onderliggende beleggingsfondsen werden deze onderliggende beleggingsfondsen ingedeeld als artikel 6<sup>1</sup> of 8<sup>2</sup> of 9 SFDR<sup>3</sup>.

30 fondsen (65,22 % van het totaal aantal fondsen) zijn ingedeeld als artikel 8 SFDR, 6 fondsen (13,04% van het totaal aantal fondsen) zijn ingedeeld als artikel 9 SFDR en 10 fondsen (21,74 % van het totaal aantal fondsen) zijn ingedeeld als artikel 6 SFDR.

Voor fondsen ingedeeld als artikel 8 en 9, is nadere informatie over de duurzame kenmerken beschikbaar op de productpagina op onze website onder "Noodzakelijke documenten":

[MultiPlan en MultiPlan+: de flexibele groepsverzekering zonder administratieve rompslomp | NN Belgium – Verzekeringen](#)

[Alto Cash Balance: de groepsverzekering met collectieve kapitalisatie voor kmo's en grote bedrijven | NN Belgium – Verzekeringen](#)

[Alto Bonus: beloon uitzonderlijke prestaties met een bonuspensioenplan | NN Belgium – Verzekeringen](#)

[Alto Defined Contribution: de groepsverzekering met collectieve kapitalisatie voor grote bedrijven | NN Belgium – Verzekeringen](#)

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<sup>1</sup> Artikel 6 SFDR: het fonds promoot geen ecologische en/of sociale kenmerken en streeft geen duurzame beleggingsdoelstellingen na.

<sup>2</sup> Artikel 8 SFDR: het fonds promoot ecologische en/of sociale kenmerken.

<sup>3</sup> Artikel 9 SFDR: het fonds streeft een duurzame beleggingsdoelstelling na.



De informatie met betrekking tot het in overweging nemen van de belangrijkste ongunstige effecten van beleggingsbeslissingen op de duurzaamheidsfactoren opgenomen door de onderliggende beleggingsfondsen is beschikbaar in de precontractuele informatieverschaffing voor elk van deze beleggingsopties. Bij de selectie van de beleggingsopties voor dit product was de inachtneming van deze belangrijkste ongunstige effecten echter niet doorslaggevend.

### 3. Classificatie van het product

NN Insurance Belgium nv heeft dit product geclassificeerd als artikel 8 SFDR omdat het ecologische en/of sociale kenmerken promoot. Opdat het product voor de verzekeringnemer onder artikel 8 SFDR kan worden ingedeeld, moet het financiële product worden belegd in ten minste één van de beleggingsopties die worden ingedeeld als artikel 8 of 9 in de onderstaande lijst en moet ten minste één van deze beleggingsopties worden aangehouden gedurende de periode dat het product wordt aangehouden.

Lijst van beleggingsfondsen:

Naam van het interne fonds	Naam van de vermogensbeheerder, naam van het onderliggende beleggingsfonds en ISIN code	SFDR classificatie
NN Life Patrimonial Defensive Fund	NN Investment Partners bv NN (L) Patrimonial Defensive LU0119196938	8
NN Life Patrimonial Balanced Fund	NN Investment Partners bv NN (L) Patrimonial Balanced LU0119195963	8
NN Life Patrimonial Aggressive Fund	NN Investment Partners bv NN (L) Patrimonial Aggressive LU0119195450	8
NN Life Patrimonial Balanced European Sustainable Fund	NN Investment Partners bv NN (L) Patrimonial Balanced European Sustainable LU1444115874	8
NN Life Emerging Markets Debt Fund	NN Investment Partners bv NN (L) Emerging Markets Debt (Hard Currency) LU0546915058	8
NN Life Multi-Asset Factor Opportunities Fund	NN Investment Partners bv NN (L) Multi-Asset Factor Opportunities LU2055071596 Informatie over de ongunstige effecten op de duurzaamheid: <a href="#">Sustainable Finance Disclosure Regulation</a>   <a href="#">Responsible Investing</a>   <a href="#">Goldman Sachs Asset Management (gsam.com)</a>	6
NN Life Euro High Dividend Fund	NN Investment Partners bv NN (L) Euro High Dividend LU0127786431	8
NN Life Health & Well-being Fund	NN Investment Partners bv NN (L) Health & Well-being	9

	LU0119214772	
NN Life Global Sustainable Equity Fund	NN Investment Partners bv NN (L) Global Sustainable Equity LU0119216553	8
NN Life European Sustainable Equity Fund	NN Investment Partners bv NN (L) European Sustainable Equity LU0991964320	8
NN Life Euro Fixed Income Fund	NN Investment Partners bv NN (L) Euro Fixed Income LU0546917773	8
NN Triodos Global Equities Impact Fund	Triodos Investment Management Triodos Global Equities Impact Fund LU0278271951	9
NN Triodos Euro Bond Impact Fund	Triodos Investment Management Triodos Euro Bond Impact Fund LU0278272504	9
NN Flossbach Von Storch Multiple Opportunities II Fund	Flossbach von Storch Flossbach von Storch Multiple Opportunities II RT LU1038809395	8
NN Pictet Global Megatrend Selection Fund	Pictet Asset Management Pictet Global Megatrend Selection LU0386882277	8
NN M&G Dynamic Allocation Fund	M&G Investments M&G (Lux) Dynamic Allocation Fund LU1582988058	8
NN M&G Optimal Income Fund	M&G Investments M&G (Lux) Optimal Income Fund LU1670724373	8
NN M&G Global Listed Infrastructure Fund	M&G Investments M&G (Lux) Global Listed Infrastructure Fund LU1665237704	8
NN R Valor Fund	Rothschild & Co Asset Management Europe R-co Valor FR0011261197	8
NN R-co Valor Balanced Fund	Rothschild & Co Asset Management Europe R-co Valor Balanced FR0013367281	8
NN Threadneedle Global Smaller Companies Fund	Columbia Threadneedle Investments Threadneedle (Lux) Global Smaller Companies LU0570870567	8
NN Threadneedle Global Focus Fund	Columbia Threadneedle Investments Threadneedle (Lux) Global Focus LU0757431068	8
NN Ethenea ethna-aktiv Fund	ETHENEA Independent Investors S.A. Ethna-AKTIV -T- LU0431139764	8
NN FFG European Equities Sustainable Moderate Fund	Acadian FFG European Equities Sustainable Moderate LU0945616984	8



NN FFG Global Flexible Sustainable Fund	Funds For Good FFG Global Flexible Sustainable LU1697917083	8
NN BlackRock Global Allocation Fund	BlackRock BGF Global Allocation Fund A2 EUR (CAP) LU0171283459 Informatie over de ongunstige effecten op de duurzaamheid: Nog niet beschikbaar	6
NN DNCA Invest Eurose Fund	DNCA Investments DNCA Invest Eurose LU0284394235	8
NN Nordea Global Real Estate Fund	Nordea Asset Management Nordea Global Real Estate Fund LU0705259769	8
NN Nordea Global Climate and Environment Fund	Nordea Asset Management Nordea Global Climate and Environment Fund LU0348926287	9
NN Capital Group Global Allocation Fund	Capital Group Capital Group Global Allocation Fund (LUX) B EUR LU1006075656 Informatie over de ongunstige effecten op de duurzaamheid: Nog niet beschikbaar	6
NN Schroder Global Energy Transition Fund	Schroders Schroder ISF Global Energy Transition LU2390151400	9
NN JPM US Technology Fund	JPMorgan Asset Management JPM US Technology Fund LU0159052710	8
NN Carmignac Patrimoine Fund	Carmignac Gestion Carmignac Patrimoine A EUR Acc FR0010135103	8
NN Carmignac Emergents Fund	Carmignac Gestion Carmignac Emergents A EUR Acc FR0010149302	9
NN JP Morgan Euro Liquidity Fund	JPMorgan Asset Management JP Morgan euro liquidity fund LU0088882138 Informatie over de ongunstige effecten op de duurzaamheid: Nog niet beschikbaar	6
NN Fidelity America Fund	Fidelity International Fidelity Funds - America Fund LU0251127410	8
NN Fidelity World Fund	Fidelity International Fidelity Funds - World Fund LU1261432659	8
NN Fidelity Pacific Fund	Fidelity International Fidelity Funds - Pacific Fund LU0368678339	8
NN Blackrock iShares core MSCI world fund	iShares Core MSCI World UCITS ETF IE00B4L5Y983	6

	Informatie over de ongunstige effecten op de duurzaamheid: Nog niet beschikbaar	
NN Blackrock iShares core S&P 500 fund	iShares Core S&P 500 UCITS ETF IE00B5BMR087 Informatie over de ongunstige effecten op de duurzaamheid: Nog niet beschikbaar	6
NN Blackrock iShares MSCI europe SRI fund	iShares MSCI Europe SRI UCITS ETF IE00B52VJ196	8
NN Life Multi Invest Low	Fund of fund Informatie over de ongunstige effecten op de duurzaamheid: <a href="#">Informatieverschaffing over duurzaamheid   NN Belgium – Verzekeringen</a>	6
NN Life Multi Invest Medium Low	Fund of fund Informatie over de ongunstige effecten op de duurzaamheid: <a href="#">Informatieverschaffing over duurzaamheid   NN Belgium – Verzekeringen</a>	6
NN Life Multi Invest Medium	Fund of fund Informatie over de ongunstige effecten op de duurzaamheid: <a href="#">Informatieverschaffing over duurzaamheid   NN Belgium – Verzekeringen</a>	6
NN Life Multi Invest High	Fund of fund Informatie over de ongunstige effecten op de duurzaamheid: <a href="#">Informatieverschaffing over duurzaamheid   NN Belgium – Verzekeringen</a>	6
NN Life Patrimonial future	NN (B) Fund Patrimonial Future CAP BE6313167197	8

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 SRI UCITS ETF  
Legal entity identifier: 5493004L12342YG66X18

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"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ____%</b>	<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 40% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ____%</b>	<input checked="" type="checkbox"/> with a social objective
<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 MSCI Europe SRI Select Reduced Fossil Fuel Index, its Benchmark Index:

1. exclusion of issuers involved in certain activities deemed to have negative environmental and/or social outcomes;
2. exclusion of issuers deemed to be involved in very severe ESG related controversies;
3. exposure to issuers with higher industry-adjusted environmental, social and governance (ESG) scores; 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 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
- conventional weapons
- civilian firearms
- alcohol
- gambling
- tobacco



- adult entertainment
- genetically modified organisms
- nuclear power
- thermal coal
- oil sands
- unconventional oil and gas extraction
- conventional oil and gas extraction (where the proportion of revenue from renewable energy and alternative fuels is below a set threshold)
- oil and gas based power generation
- fossil fuel reserves ownership

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 based on an MSCI ESG controversy score. An MSCI controversy score measures an issuer’s involvement (or alleged involvement) in serious controversies relating to their operations and/or products which are deemed to have a negative ESG impact (“MSCI ESG Controversy Score”). An MSCI ESG 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 ESG 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.

Issuers 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 (“MSCI ESG Rating”) which determines their eligibility for inclusion in the Benchmark Index. An MSCI ESG Rating is designed to measure an issuer’s resilience to long-term, industry material ESG risks and how well it manages those ESG risks 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.

Companies must have a minimum MSCI ESG Rating and MSCI ESG Controversy Score set by the index provider to be considered eligible for inclusion as new constituents in the Benchmark Index at the annual review of the Benchmark Index. Existing constituents are also required to maintain a minimum MSCI ESG Rating and MSCI ESG Controversy Score (which are lower than the requirements for inclusion) to remain in the Benchmark Index at each rebalance as well as complying with the exclusionary criteria outlined above.

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? above).
2. The exclusion of issuers 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).

3. The industry-adjusted ESG ratings as described above (see What environmental and/or social characteristics are promoted by this financial product? above).
4. 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?).
5. 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.

● ***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, SME 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).

- *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 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.*

**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.



## 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 Fund’s 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		
		Exclusion of issuers based on certain environmental screens (listed above)	Exclusion of issuers based on an MSCI ESG Controversy Score	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 %			
	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	
	11. UNGC+OECD Process, Monitoring			
	12. Unadjusted gender pay gap			
	13. Board gender diversity			
	14. Controversial weapons			X



## 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.

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

- ***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.

**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. 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) which includes the exclusion of 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.
- **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.

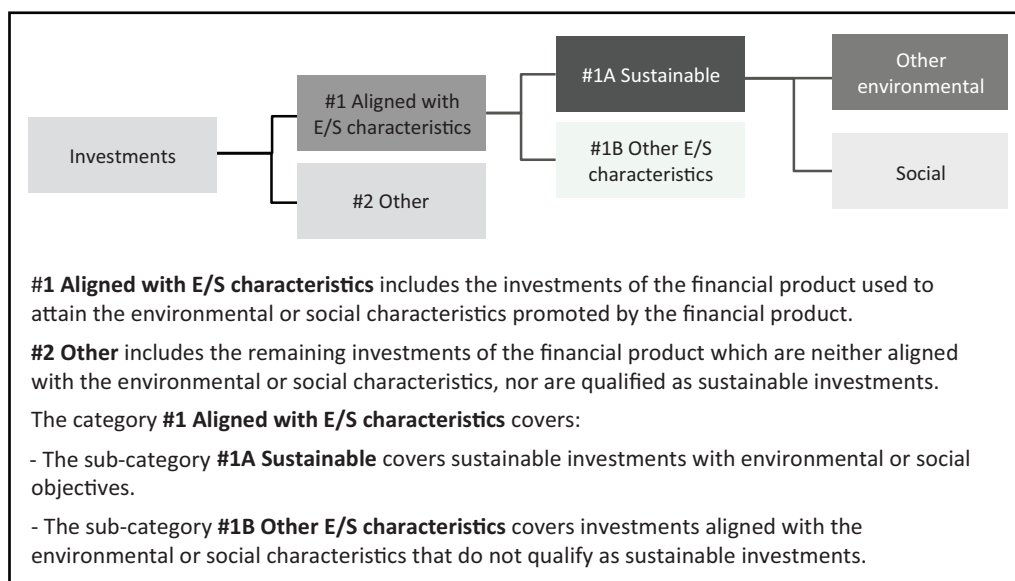
## What is the asset allocation planned for this financial product?

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 either securities within the Benchmark Index or in securities that meet the ESG selection criteria of 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 40% 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 (or otherwise cease to meet the ESG selection criteria 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 Taxonomy<sup>1</sup>?**

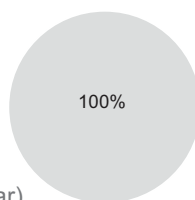
- ☐ Yes ☐ In fossil gas ☐ In nuclear energy
- ☒ No

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.*

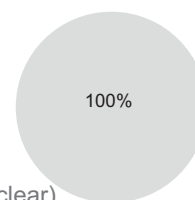
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- 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*

<sup>1</sup> 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 40% 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 40% 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 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.



● **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 SRI Select Reduced Fossil Fuel 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 reasonably 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 excludes issuers that do not meet its ESG selection criteria from its Parent Index, which is a broad market index. The ESG selection criteria that is excluded is set out above (see What environmental and/or social characteristics are promoted by this financial product? above).

● ***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/SRIReducedFossilFuel>

Alternatively, the methodology can be accessed through 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](http://www.iShares.com)