

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: BlackRock Managed Index Portfolios – Defensive
Legal entity identifier: 222100OG875X5JDSZ417

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 include 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 address key environmental and social issues that are deemed to be relevant to the issuers' businesses using ESG scores as a means of assessing issuers' exposure to and management of those risks and opportunities. The ESG scores recognise 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. The following environmental themes are captured in the environmental component of the ESG score: climate change, natural capital, pollution and waste and environmental opportunities. The following social themes are captured in the social component of the ESG score: human capital, product liability, stakeholder opposition and social opportunities. Corporate issuers that have better ESG scores are perceived to have more sustainable business practices.

The Fund invests in Collective Investment Schemes which pursue a positive ESG objective or outcome, or, in the case of government bond exposures, track benchmark indices incorporating ESG requirements or comprised of bonds issued by governments that have an ESG sovereign rating of at least BB (as defined by third party ESG data vendors), and in both cases being Collective Investment Schemes with status aligned with the SFDR Regulation.

Greenhouse gas emissions are categorised into three groups or 'scopes' by the most widely-used international accounting tool, the Greenhouse Gas (GHG) Protocol. Scope 1 covers direct

emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting issuer. Scope 3 includes all other indirect emissions that occur in an issuer's value chain. The Fund seeks to have a lower greenhouse gas emissions intensity of the portfolio relative to the Index and an ongoing reduction which is the estimated greenhouse gas (Scope 1 and Scope 2) emissions based on the enterprise value including cash (EVIC) across the Fund's holdings. For the avoidance of doubt, Scope 3 is not currently considered for this calculation.

The Fund does not use a reference benchmark for the purposes of attaining the ESG characteristics that it promotes, however, MSCI All Country World Index and Bloomberg Multiverse Index (the "Benchmark Index") is used to compare certain ESG characteristics promoted by the Fund.

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 sustainability indicators used to measure the attainment of the environmental or social characteristics promoted by this Fund include:

1. The Fund's holdings of underlying Collective Investment Schemes meeting the above criteria
2. The Fund's ESG rating, which is the weighted average of ESG scores of the Fund's holdings, as described above.
3. The Fund's carbon emissions intensity, as described above.
4. The Fund's consideration of principal adverse impacts (PAIs) on sustainability factors, as described below.

● ***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 does not commit to holding Sustainable Investments, however, they may form part of the portfolio.

● ***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 this Fund does not commit to investing in Sustainable Investments, however, they may form part of the portfolio.

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

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

Not applicable as this Fund does not commit to investing in Sustainable Investments, however, they may form part of the portfolio. Please refer to the section below, "Does this financial product consider principal adverse impacts on sustainability factors?", which describes how the Fund considers PAIs on sustainability factors.

— ***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 this Fund does not commit to investing in Sustainable Investments, however, they may form part of the portfolio.

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

The Fund considers PAIs on sustainability factors through the application of its carbon reduction target.

The Fund takes into account the following PAIs:

- ▶ GHG emissions.
- ▶ GHG intensity of investee companies.



What investment strategy does this financial product follow?

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

The Fund seeks to invest at least 80% of total assets in CIS which pursue a positive ESG objective or outcome, or, in the case of government bond exposures, track benchmark indices incorporating ESG requirements or comprised of bonds issued by governments that have an ESG sovereign rating of at least BB (as defined by third party ESG data vendors), and in both cases being CIS with status aligned with the SFDR Regulation in particular with the requirements set out under Article 8 or 9 of the SFDR Regulation.

The climate objective of the Fund is to seek to reduce its carbon emissions intensity relative to the Index by 30%. The Fund intends to have an ongoing reduction in its emission intensity. Within the investment process, the carbon reduction objective is intended to be regularly monitored and reviewed by the Investment Adviser. In the event of deviations from the objectives proposals for action will be considered.

The weighted average ESG score of the Fund will be higher than the ESG score of the Index. More than 90% of the issuers of the holdings (excluding money market funds) of the Fund are ESG rated or have been analysed for ESG purposes. The Investment Adviser will monitor the improvement based on ESG scores on a regular basis.

As the Fund has the ability to adjust its exposure over time in order to seek to achieve its investment objectives, the Fund's asset allocation and therefore the weight of each asset class index in the investable universe may change over time. The ESG score of the investable universe and the carbon emissions intensity will be calculated using the ESG scores and the carbon emissions intensity of the relevant asset class indices weighted to reflect the asset class exposure in the Fund. These scores and the carbon emissions intensity may be quoted for individual asset classes or allocation weighted in marketing material. Shareholders may contact the Investment Adviser for details of the indices used and their weights.

- ***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. Maintain that the Fund holds at least 80% of its holdings in Collective Investment Schemes meeting the above criteria.
2. Maintain the Fund's carbon emissions intensity as 30% lower than that of the Fund's Index.
3. Maintain the Fund's ESG rating as higher than that of the Index.
4. Ensure that more than 90% of the issuers of securities in which the Fund invests (excluding money market funds) shall be ESG rated or have been analysed for ESG purposes.

- ***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 commitment to reduce the scope of investments by a minimum rate.

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?***

BlackRock assesses good governance practices of the investee companies by combining proprietary insights and shareholder engagement by the Investment Adviser, with data from external ESG research providers. BlackRock uses data from external ESG research providers to initially identify issuers which may not have satisfactory governance practices in relation to key performance indicators (KPIs) related to sound management structure, employee relations, remuneration of staff and tax compliance.

Where issuers are identified as potentially having issues with regards to good governance, the issuers are reviewed to ensure that, where the Investment Adviser agrees with this external assessment, the Investment Adviser is satisfied that the issuer has either taken remediation actions or will take remedial actions within a reasonable time frame based on the Investment Adviser's direct engagement with the issuer. The Investment Adviser may also decide to reduce exposure to such issuers.



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:

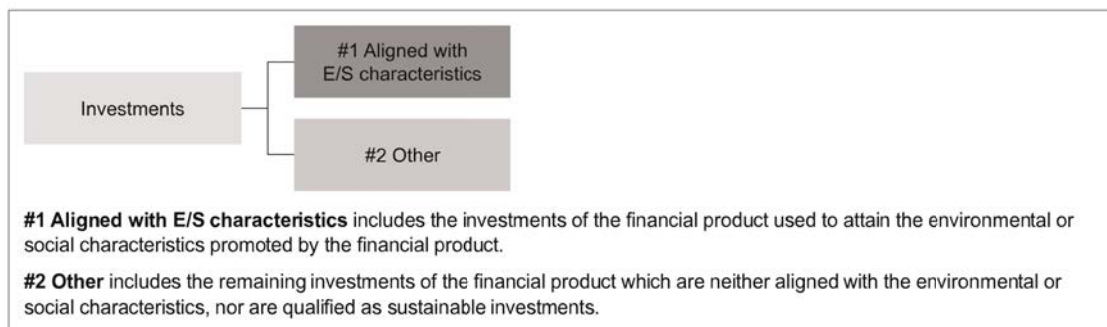
- **turnover** reflecting the share of revenue from green activities of investee companies.

- **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.

A minimum of 80% of the Fund's total assets will be invested in investments that are aligned with the environmental and/or social characteristics described above (#1 Aligned with E/S characteristics).

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



● *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. For derivatives, any ESG rating or analyses referenced above will apply only 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, however, these investments may form part of the portfolio.

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.

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

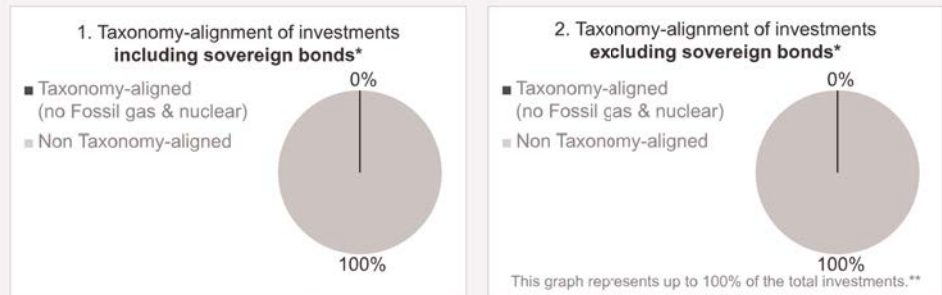
☐ Yes

☐ In fossil gas ☐ In nuclear energy

☒ No

The Fund does not currently commit to invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy, however, these investments may form part of the portfolio.

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

** As the Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Fund portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

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

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.

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

The Fund does not commit to making investments in transitional and enabling activities, however, these investments may form part of the portfolio.



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

The Fund does not commit to holding Sustainable Investments, however, they may form part of the portfolio.



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 socially sustainable investments?

The Fund does not commit to holding Sustainable Investments, however, they may form part of the portfolio.



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

Other holdings are limited to 20% and may include derivatives, cash and near cash instruments and shares or units of CIS and fixed income transferable securities (also known as debt securities) issued by governments and agencies worldwide.

These investments may be used for investment purposes in pursuit of the Fund's (non ESG) investment objective, for the purposes of liquidity management and/or hedging.

No other holdings are 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.

Please note that the MSCI All Country World Index and Bloomberg Multiverse Index is used to compare certain ESG characteristics promoted by the Fund.

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?*

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?*

Not applicable.



Where can I find more product specific information online?

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

Please refer to the website page for the Fund, which can be found by typing the name of the Fund into the search bar on the BlackRock website: www.blackrock.com.