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12 May 2026

**To:** Shareholders of iShares MSCI World Paris-Aligned Climate UCITS ETF (ISIN: IE00BN92ZL31, IE00BMXC7W70) (the "**Fund**"), a sub-fund of iShares III plc (the "**Company**")

Dear Shareholder,

The Directors of the Company wish to inform you of certain changes that will be made by the index provider, MSCI Limited ("**MSCI**"), to the MSCI World Climate Paris Aligned Benchmark Select PAB Index, (the "**Index**"), the benchmark index of the Fund.

The changes outlined in this letter are scheduled to take effect on or around 1 June 2026 (the "**Effective Date**").

The changes being made will not have a material effect on the manner in which your investment is managed or on the Fund's risk and return profile. You are not required to do anything as a result of this notification.

The Fund will continue to be classified as an Article 8 fund under the EU Sustainable Finance Disclosure Regulation (EU) 2019/2088).

Additionally, the Index will continue to be labelled by MSCI as an EU Paris-aligned Benchmark within the meaning of the EU Benchmarks Regulation (Regulation (EU) 2016/1011 of the European Parliament and of the Council as amended by Regulation (EU)

**iShares III public limited company**  
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Registered Office: 200 Capital Dock, 79 Sir John Rogersons Quay, Dublin 2, D02 RK57, Ireland.  
Registered in Ireland under registration number 452278.  
Directors: William McKechnie (Chair); Ros O'Shea; Deirdre Somers; Padraig Kenny; Manuela Sperandeo (Italian).  
iShares III plc is an umbrella type open ended investment company with variable capital and having segregated liability between its funds.

2019/2089 of The European Parliament and of the Council of 27 November 2019 as may be amended or replaced). An EU Climate Transition Benchmark is a benchmark which must have a methodology that meets certain minimum standards prescribed by the EU Benchmarks Regulation which are based on the commitments laid down in the Paris Agreement and support the transition to a low-carbon economy.

## **Changes to the Fund's Index and Rationale**

MSCI has announced that it will make certain changes to the methodology of the Fund's benchmark.

The Index methodology is being amended in order to seek to minimise the tracking error of the Index against the MSCI World Index (the "**Parent Index**") while continuing to meet the minimum standards for an EU Paris-aligned Benchmark under the EU Benchmarks Regulation. Additional changes are also being made to the greenhouse gas ("**GHG**") emissions methodology for a more consistent calculation of the index-level GHG emissions intensity (as described below).

### *Changes to the optimisation constraints applied by the Index*

- a) The following Index-level targets are being removed from the Index methodology:
- a minimum increase in the weighted average low carbon transition (LCT) score relative to Parent Index;
  - a minimum increase in the weighted average green revenue relative to the Parent Index;
  - a reduced ratio of the weighted average green revenue/weighted average fossil fuels-based revenue compared to the Parent Index;
  - a reduction of the weighted average potential emissions intensity as compared with the Parent Index;
  - an increase in exposure to companies with credible carbon reduction targets; and
  - a reduction of the aggregated climate value-at-risk.

## *Changes in the GHG intensity calculation methodology and change in base year for the decarbonisation trajectory*

MSCI is revising the current minimum year-on-year annual decarbonisation trajectory target for the Index from 10% to 7%, which is in line with the minimum standards for an EU Paris-aligned Benchmark. The GHG emissions intensity calculation methodology used to calculate the minimum 7% year-on-year annual decarbonisation trajectory target is also being revised by MSCI to ensure that all underlying data (Scope 1, Scope 2, Scope 3 emissions data and data related to a company's value) used in this calculation are sourced from the same financial year for a more consistent calculation of the index-level GHG emissions intensity.

MSCI has determined that the amendments to the GHG emissions intensity calculation methodology represent a significant change within the meaning of the minimum standards applicable to an EU Paris-aligned Benchmark (as set out under Commission Delegated Regulation (EU) 2020/1818) and is therefore changing the base year for the calculation of the annual decarbonisation trajectory of the Index. The base year is the reference point from which the annual GHG decarbonisation trajectory target is measured. The existing base year of the Index will be changed from June 2020 to 1 December 2022 and the decarbonisation trajectory of the Index will be recalculated from this point using the new GHG emissions intensity calculation methodology.

## *Adjustments to the screening methodology*

The following screens applied by the Index will be removed by MSCI on the Effective Date:

1. Conventional weapons;
2. Nuclear weapons;
3. Civilian firearms; and
4. Oil sands.

The tobacco screen applied by the Index is being adjusted to only exclude companies involved in activities related to the production of tobacco.

The oil and gas screen applied by the Index is also being adjusted to exclude companies that derive 10% or more revenue from oil related activities and 50% or more revenue from gas related activities.

*Expansion of intra-rebalance issuer removal (“Fast Exit Rule”)*

MSCI is also amending the Index methodology to expand the ability to remove issuers from the Index in-between Index rebalances. Companies which have been identified by MSCI as being involved in tobacco production and/or controversial weapons may also be removed in-between Index rebalances, in addition to companies that are currently excluded from the Index under the Fast Exit Rule which are deemed to be involved in very severe ESG controversies (based on a “red” MSCI controversies flag).

**Changes to the Fund’s Offering Documents**

It is anticipated that the Prospectus and the Fund's Key Investor Information Document (the “**KIID**”) or the Key Information Document (the “**KID**”), as applicable, will be updated to reflect the changes described in this letter on or around the relevant Effective Date, or as soon as possible thereafter, subject to the approval of the Central Bank of Ireland.

The updated Prospectus and KIID/KID (as applicable) will be available on [www.ishares.com](http://www.ishares.com).

**Costs**

BlackRock Asset Management Ireland Limited, as manager of the Company, will pay the costs of the shareholder notification, and any additional operational costs (excluding portfolio realignment costs) and legal costs related to the proposed changes that would otherwise have been incurred by the Fund. The portfolio realignment costs arising as a result of the changes to the Index methodology will be borne by the Fund on or after the next Index rebalance. These costs are expected to be in line with the costs typically incurred by the Fund at each Index rebalance.

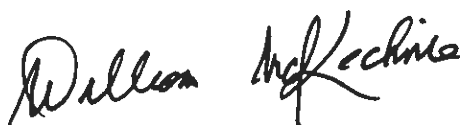
To the extent that additional companies are excluded in-between Index rebalances following the updates to the Fast Exit Rule, there will be associated transaction costs that

will be borne by the Fund but it is expected that such disposals will occur rarely and that associated costs are not expected to be material.

## Further Information

If you have any queries, please contact iShares on [info@ishares.com](mailto:info@ishares.com), or your usual iShares representative.

Yours faithfully



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Director  
For and on behalf of  
**iShares III plc**

