

SUSTAINABLE INVESTING WITH ETFs

Align your sustainable and financial goals with an index strategy

Screened	Broad ESG		Thematic ESG	Impact
ESG Screened	ESG Aware	ESG Advanced		
Seek to eliminate exposure to certain controversial business activities that pose risks or do not align with an investor's preferences.	Balance seeking a similar risk and return to the relevant broad market with seeking a more sustainable outcome.	Prioritize higher-rated ESG companies while extensively screening out controversial activities.	Focus on a particular E, S or G trend.	Pursue a measurable sustainable outcome alongside a financial return.
<p>Category Designed to target screened building block exposures</p> <p>Key characteristics</p> <ul style="list-style-type: none"> 6 business involvement + controversy screens¹ <p>Use case Can be used by investors seeking to reduce exposure to certain areas while maintaining exposure to flagship S&P indexes</p>	<p>Category Designed to target optimized building block exposures</p> <p>Key characteristics</p> <ul style="list-style-type: none"> 5 business involvement + controversy screens¹ Seek to maximize ESG score while maintaining target tracking error of 50bps developed market; 100bps emerging market² 28% average reduction of carbon intensity for equity ETFs compared to broad equity market indices³ <p>Use case Can be used by investors seeking similar risk and return to the broad market</p>	<p>Category Designed to target best-in-class building block exposures⁴</p> <p>Key characteristics</p> <ul style="list-style-type: none"> 14 business involvement + controversy screens¹ Selects the higher ESG-rated companies (BBB and above)⁵ 49% average reduction of carbon intensity for equity ETFs compared to broad equity market indices³ <p>Use case Can be used by investors with the highest conviction toward leading ESG performers</p>	<p>Category Targeted exposure to global markets that provides access to structural sustainable themes (e.g. low carbon, clean energy)</p> <p>Key characteristics</p> <ul style="list-style-type: none"> Unconstrained from a traditional country or sector benchmark May include business involvement screens or ESG rating constraints <p>Use case Can be used by investors seeking access to a specific sustainable theme</p>	<p>Category Targeted exposure to global bond or equity markets with a quantifiable ESG impact</p> <p>Key characteristics Provides access to U.S. dollar-denominated investment grade green bonds issued to fund projects with direct environmental benefits</p> <p>Use case Can be used by investors looking to drive measurable change</p>

XVV XJH XJR

ESGU ESML ESGD ESGE

USXF DMXF EMXF

CRBN ICLN SDG PABU

BGRN

SUSB SUSC EAGG

EUSB HYXF ELQD

LCTU LCTD BECO

■ Equity ■ Fixed income

1. As part of its investment objective these funds seek to track an index that applies business involvement screens. Screens are based on revenue or percentage of revenue thresholds for certain categories (e.g. \$500 million or 50%) and categorical exclusions for others (e.g. nuclear weapons). Please refer to the respective index methodology document for more information. 2. Optimization is a quantitative process that considers the market capitalization weights from the Parent Index, ESG scores and additional optimization constraints to select and weight the constituents in the Index. Bps = basis points. A basis point is one hundredth of a percent or equivalently one percent of one percent or one ten thousandth. Please see the remainder of disclosures on pages 2 and 3.

iShares Sustainable ETFs

	Ticker	Name	Benchmark Index	Expense Ratio
US Equity	ESGU	iShares ESG Aware MSCI USA ETF	MSCI USA Extended ESG Focus Index	0.15%
	USXF	iShares ESG Advanced MSCI USA ETF	MSCI USA Choice ESG Screened Index	0.10%
	XVV	iShares ESG Screened S&P 500 ETF	S&P 500 Sustainability Screened Index	0.08%
	XJH	iShares ESG Screened S&P Mid-Cap ETF	S&P MidCap 400 Sustainability Screened Index	0.12%
	XJR	iShares ESG Screened S&P Small-Cap ETF	S&P SmallCap 600 Sustainability Screened Index	0.12%
	LCTU	BlackRock U.S. Carbon Transition Readiness ETF	Russell 1000 Index	0.29%*
	PABU	iShares Paris-Aligned Climate MSCI USA ETF	MSCI USA Climate Paris Aligned Benchmark Extended Select Index	0.10%
US Small Cap Equity	ESML	iShares ESG Aware MSCI USA Small Cap ETF	MSCI USA Small Cap Extended ESG Focus Index	0.17%
International Equity	ESGD	iShares ESG Aware MSCI EAFE ETF	MSCI EAFE Extended ESG Focus Index	0.20%
	DMXF	iShares ESG Advanced MSCI EAFE ETF	MSCI EAFE Choice ESG Screened Index	0.12%
	LCTD	BlackRock World ex U.S. Carbon Transition Readiness ETF	MSCI World Ex USA Index	0.35%*
Emerging Markets Equity	ESGE	iShares ESG Aware MSCI EM ETF	MSCI Emerging Markets Extended ESG Focus Index	0.25%
	EMXF	iShares ESG Advanced MSCI EM ETF	MSCI Emerging Markets Choice ESG Screened 5% Issuer Capped Index	0.16%
Global Equity	CRBN	iShares MSCI ACWI Low Carbon Target ETF	MSCI ACWI Low Carbon Target Index	0.20%
	SDG	iShares MSCI Global Sustainable Development Goals ETF	MSCI ACWI Sustainable Impact Index	0.49%
	ICLN	iShares Global Clean Energy ETF	S&P Global Clean Energy Index	0.46%
	BECO	BlackRock Future Climate and Sustainable Economy ETF	MSCI ACWI Multiple Industries Select Index	0.70%
US Fixed Income	SUSC	iShares ESG Aware USD Corporate Bond ETF	Bloomberg MSCI US Corporate ESG Focus Index	0.18%
	SUSB	iShares ESG Aware 1-5 Year USD Corporate Bond ETF	Bloomberg MSCI US Corporate 1-5 Year ESG Focus Index	0.12%
	EAGG	iShares ESG Aware U.S. Aggregate Bond ETF	Bloomberg MSCI US Aggregate ESG Focus Index	0.10%*
	EUSB	iShares ESG Advanced Total USD Bond Market ETF	Bloomberg MSCI US Universal Choice ESG Screened Index	0.12%*
	ELQD	iShares ESG Advanced Investment Grade Corporate Bond ETF	iBoxx MSCI ESG Advanced USD Liquid Investment Grade Index	0.18%
	HYXF	iShares ESG Advanced High Yield Corporate Bond ETF	Bloomberg MSCI US High Yield Choice ESG Screened Index	0.35%
Global Fixed Income	BGRN	iShares USD Green Bond ETF	Bloomberg MSCI USD Green Bond Select Index	0.20%

* Net expense ratio shown for EAGG, EUSB, LCTU, and LCTD reflect contractual fee waivers in place through 6/30/24, 6/30/25, 6/30/24, and 6/30/24 respectively. Gross expense ratios are 0.12%, 0.13%, 0.29%, and 0.35% respectively.

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3. Source for the funds: MSCI ESG Fund Ratings as of 10/15/2021, based on holdings as of 8/31/2021. Source for the MSCI indexes: MSCI ESG Research as of 10/15/2021, based on holdings as of 8/31/2021. The Weighted Average Carbon Intensity measures a portfolio's exposure to carbon intensive companies. This figure represents the estimated greenhouse gas emissions per \$1 million in sales across the portfolio's holdings. The figure is a sum of the normalized security weight multiplied by the security Carbon Intensity. This allows for comparisons between portfolios of different sizes. It is measured in tons CO₂/\$M sales. Carbon coverage is the percent by weight of a portfolio's holdings that have carbon intensity data. Funds or indexes with low carbon coverage may not fully reflect the carbon characteristics of the fund or index due to the lack of coverage. The indexes used for this analysis are the parent indexes of the indexes that the funds seek to track. There may be material differences between the fund's index and the parent indexes including without limitation holdings, methodology and performance. The parent index of ESGU's and USXF's index is the MSCI USA Index (99.80% carbon intensity coverage by MSCI ESG Research); the parent index of ESGD's and DMXF's index is the MSCI EAFE Index (99.60% carbon intensity coverage by MSCI ESG Research); the parent index of ESGE's and EMXF's index is the MSCI Emerging Markets Index (99.24% carbon intensity coverage by MSCI ESG Research); the parent index of ESML's index is the MSCI USA Small Cap Index (96.40% carbon intensity coverage by MSCI ESG Research). Please see the next page for carbon coverage for the funds. **4.** "Best-in-class" refers to investing in companies that are leaders in their sectors in terms of meeting E, S, and G criteria. The indexes that the iShares ESG Advanced ETFs seek to track include companies with an MSCI ESG Rating of "BBB" or above (with the exception of HYXF's index, which includes companies with an MSCI ESG Rating of "BB" or above). MSCI rates companies on a 'AAA to CCC' scale according to their exposure to ESG risks and how well they manage those risks relative to peers. **5.** The MSCI ESG Rating measures the resiliency of portfolios to long-term ESG risks and opportunities. The most highly rated portfolios consist of issuers with leading or improving management of key ESG risks. The ESG Rating is calculated as a direct mapping of ESG Quality Scores to letter rating categories (e.g. AAA = 8.6-10). The ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).

Fund-level carbon coverage

Ticker	Name	Carbon Coverage (%)
ESGD	iShares ESG Aware MSCI EAFE ETF	98.77
ESGE	iShares ESG Aware MSCI EM ETF	98.55
ESGU	iShares ESG Aware MSCI USA ETF	98.91
ESML	iShares ESG Aware MSCI USA Small-Cap ETF	98.07
DMXF	iShares ESG Advanced MSCI EAFE ETF	98.20
EMXF	iShares ESG Advanced MSCI EM ETF	97.31
USXF	iShares ESG Advanced MSCI USA ETF	99.40

Source: MSCI ESG Fund Ratings, as of 10/15/2021, with holdings data as of 8/31/2021.

Carefully consider the Funds' investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Funds' prospectuses or, if available, the summary prospectuses which may be obtained by visiting www.iShares.com or www.blackrock.com. Read the prospectus carefully before investing. Investing involves risk, including possible loss of principal.

Sustainability risk is an inclusive term to designate investment risk that relates to environmental, social or governance (ESG) issues. Sustainability risk around environmental issues includes, but is not limited to, climate risk, both physical and transition risk. Risks related to social issues can include, but are not limited to, labor rights and community relations. Governance-related risks can include, but are not limited to, risks around board independence, ownership and control, and audit and tax management. These risks can impact an issuer's operational effectiveness and resilience as well as its public perception and reputation, affecting its profitability and, in turn, its capital growth and ultimately impacting the value of holdings in a fund.

A fund's environmental, social and governance ("ESG") investment strategy limits the types and number of investment opportunities available to the fund and, as a result, the fund may underperform other funds that do not have an ESG focus. A fund's ESG investment strategy may result in the fund investing in securities or industry sectors that underperform the market as a whole or underperform other funds screened for ESG standards. In addition, companies selected by the index provider may not exhibit positive or favorable ESG characteristics.

The iShares MSCI ACWI Low Carbon Target ETF may not reflect a lower carbon exposure as there is no guarantee that the underlying index will achieve its intended results or accurately assess an issuer's actual and potential carbon emissions.

This information should not be relied upon as research, investment advice, or a recommendation regarding any products, strategies, or any security in particular. This material is strictly for illustrative, educational, or informational purposes and is subject to change.

The iShares USD Green Bond ETF's green bond investment strategy limits the types and number of investment opportunities available to the Fund and, as a result, the Fund may underperform other funds that do not have a green bond focus. The Fund's green bond investment strategy may result in the Fund investing in securities or industry sectors that underperform the market as a whole or underperform other funds with a green bond focus. In addition, projects funded by green bonds may not result in direct environmental benefits.

International investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation and the possibility of substantial volatility due to adverse political, economic or other developments. These risks often are heightened for investments in emerging/developing markets and in concentrations of single countries.

The BlackRock funds are actively managed and their characteristics will vary. Actively managed funds do not seek to replicate the performance of a specified index. Actively managed funds may have higher portfolio turnover than index funds.

A fund's strategy of investing in securities of companies with low carbon exposure limits the type and number of investment opportunities available to the fund and, as a result, the fund may underperform other funds that do not seek to minimize carbon exposure. A fund's low carbon exposure investment strategy may result in the fund investing in securities or industry sectors that underperform the market.

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments.

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