

iShares ESG MSCI EM ETF – ESGE

REFERENCE BENCHMARK: MSCI EMERGING MARKETS INDEX*

Fund ESG Profile

Comparing ESGE to the reference benchmark on exposure to MSCI ESG Research key metrics

	LESS EXPOSED	SIMILAR EXPOSURE	MORE EXPOSED
ESG QUALITY			●
SUSTAINABLE IMPACT			●
CARBON FOOTPRINT	●		
HEADLINERISK	●		
GENDER DIVERSITY			●

RELATIVE TO REFERENCE BENCHMARK: ● Unfavorable ● Neutral ● Favorable

ESGE has higher ESG quality than its reference benchmark and is less exposed to controversial activities. It is exposed to lower carbon emissions, higher levels of gender diversity and is aligned to five Sustainable Development Goals, according to MSCI ESG Research.

*The Reference Benchmark is the parent index of the index that the fund seeks to track. The parent index is a broad-market index.

ESG Quality

ESGE achieves an MSCI ESG Quality Score of **6.9** out of 10 from MSCI ESG Research:

63.1% higher than reference benchmark

MSCI ESG % Coverage:

ESGE: 99%

Reference Benchmark: 99%

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

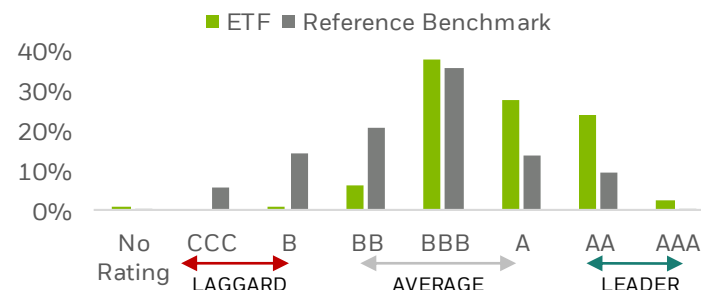
Reference Benchmark Rating: BB

Peer Percentile: 99th

Peer Percentile is based on 937 funds in the Equity Emerging Mkts Global peer group defined by Lipper's Global Classification.

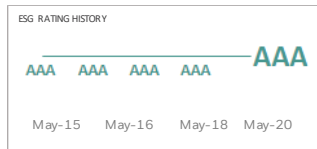


High-ranking funds are invested in a higher proportion of ESG Leaders and/or a lower proportion of ESG Laggards.



ESG Leader in the portfolio VODACOM GROUP LIMITED

Telecommunication Services / Fund weight: 0.8%



References to specific positions are strictly to highlight examples of ESG impact and should not be construed as investment advice or recommendations regarding those companies. For more information about the selection process, see the section entitled *Important Information regarding iShares Sustainable ETFs* at the end of this document.

HIGHLIGHTS:

- Vodacom's rating is unchanged at 'AAA'. The company continues to employ an array of initiatives to address potential labor-management and data security risks. In March 2020, Vodacom reached an agreement with the Competition Commission in South Africa to substantially reduce its data prices.
- The company's cybersecurity measures appear well-aligned to the comprehensive privacy and data policies adopted by its parent, Vodafone.
- Employee initiatives such as engagement surveys, development programs, and policies to address diversity and labor rights place Vodacom in a robust position to deal with potential labor management challenges.

Source: MSCI ESG Fund Ratings provided by MSCI ESG Research LLC as of 06/02/2020, based on holdings as of 04/30/2020. Updated annually. Holdings are subject to change. For current holdings visit iShares.com. Indexes are unmanaged and one cannot invest directly in an index. For more information about MSCI ESG Fund Ratings, see the section entitled *Important Information regarding iShares Sustainable ETFs* at the end of this document. Certain information ©2020 MSCI ESG Research LLC. Reproduced by permission; no further distribution.

iShares ESG MSCI EM ETF – ESGE

REFERENCE BENCHMARK: **MSCI EMERGING MARKETS INDEX***

Carbon Footprint



37.75% lower carbon emissions

One million US dollars invested in ESGE implied an annual emissions reduction of **134.29 tons** of carbon dioxide equivalent compared to the reference benchmark based on MSCI ESG Research analysis of portfolio companies' carbon emissions, equivalent to the annual emissions of:



333,220 miles driven by an average passenger car for one year



22.74 homes' energy use for one year



15,111 gallons of gasoline consumed

Gender Diversity



1.77% more exposure to gender diverse boards*

* Corporate boards with at least 30% female directors based on MSCI ESG Research analysis of portfolio companies' board composition.

Business Involvement

ESGE's index methodology excludes companies involved in the following activities*:

- Civilian Firearms
- Tobacco
- Oil Sands
- Controversial Weapons
- Thermal Coal

*Exclusionary screens are based on revenue or percentage of revenue thresholds for certain categories and categorical exclusions for others. Please refer to the index methodology document for more information.

Sustainable Impact



2.03% greater exposure to sustainable solutions compared to the reference benchmark

ESGE is aligned with **5 Sustainable Development Goals** based on MSCI ESG Research analysis of portfolio companies' products and services.



Examples from the portfolio:

Alibaba Group Holding Ltd.

Fund weight: 7.0%
SDGs:



In FY 2018, ALIBABA GROUP HOLDING LIMITED derived an estimated 2.18 percent of its revenues from products or services that help reduce energy consumption. The company offers cloud computing services such as network virtualization services, IaaS and PaaS.

Taiwan Semiconductor Manufacturing Co. Ltd.

Fund weight: 5.7%
SDGs:



In FY 2019, Taiwan Semiconductor Manufacturing Co., Ltd. derived an estimated 7.0 percent of its revenues from products or services that help reduce energy consumption. The company manufactures LED driver IC applications.

Ping An Insurance Group Co. of China Ltd.

Fund weight: 1.4%
SDGs:



In FY 2019, Ping An Insurance (Group) Company of China, Ltd. derived an estimated 1.25 percent of revenues from SME lending and 0.14 percent of its revenues from the sale of basic sanitary products. This comprises net interest income derived from lending activities. Additionally, the company manufactures and retails face wash, shampoos, and soaps.

References to specific positions are strictly to highlight examples of ESG impact and should not be construed as investment advice or recommendations regarding those companies. For more information about the selection process, see the section entitled *Important Information regarding iShares Sustainable ETFs* at the end of this document.

Source: MSCI ESG Fund Ratings provided by MSCI ESG Research LLC as of 06/02/2020, based on holdings as of 04/30/2020. Holdings are subject to change. This report is updated annually. For current holdings please visit iShares.com. Indexes are unmanaged and one cannot invest directly in an index. For more information about MSCI ESG Fund Ratings, see the section entitled *Important Information regarding iShares Sustainable ETFs* at the end of this document. Certain information ©2020 MSCI ESG Research LLC. Reproduced by permission; no further distribution.

IMPORTANT INFORMATION REGARDING iSHARES SUSTAINABLE ETFs

Important information regarding iShares ETFs

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.

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, in concentrations of single countries or smaller capital markets.

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 Funds are distributed by BlackRock Investments, LLC.

The iShares Funds are not sponsored, endorsed, issued, sold or promoted by MSCI Inc., nor does this company make any representation regarding the advisability of investing in the Funds. BlackRock is not affiliated with MSCI Inc.

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. There is no guarantee that any strategies discussed will be effective.

©2020 BlackRock, Inc.. **iSHARES** and **BLACKROCK** are trademarks of BlackRock, Inc., or its subsidiaries. All other marks are the property of their respective owners.

More Information about MSCI ESG Fund Ratings

ESG QUALITY

MSCI ESG Quality Score: (0 - 10) for funds is calculated using the weighted average of the ESG scores of fund holdings. The Score also considers ESG Rating trend of holdings and the fund exposure to holdings in the laggard category. MSCI rates underlying holdings according to their exposure to 37 industry specific ESG risks and their ability to manage those risks relative to peers. These issuer-level ESG ratings correspond to an issuer-level ESG Score.

MSCI Fund ESG Rating: is calculated as a direct mapping of "Fund ESG Quality Score" to letter rating categories.

MSCI ESG Quality Score	MSCI Fund ESG Rating	Description
8.6* - 10	AAA	Leaders
7.1 - 8.6	AA	
5.7 - 7.1	A	
4.3 - 5.7	BBB	Average
2.9 - 4.3	BB	
1.4 - 2.9	B	Laggards
0.0 - 1.4	CCC	

*Appearance of overlap in the score ranges is due to rounding. The 0 to 10 scale is divided into 7 equal parts, each corresponding to a letter rating.



MSCI ESG Quality Score Badge: ESG Fund Quality Badges are awarded to funds with qualifying ESG Quality Scores that rank in the top 10 or 20% within the peer group, which is defined by the Lipper Global Classification.

Headline Risk: Headline Risk represents the percentage of a portfolio's market value coming from holdings involved in very severe controversial events. An ESG controversy is an event reported by verifiable sources detailing a negative environmental, social, or governance-related impact linked to a company or multiple companies.

MSCI ESG % Coverage: Percent by weight of a fund's holdings that have ESG Data.

ESG Leaders: Companies leading their industry in managing the most material ESG risks and opportunities i.e. companies with an 'AAA' & 'AA' MSCI ESG Rating. Leading companies may be more resilient to disruptions arising from ESG events.

ESG Laggards: Companies lagging their industry & failing to demonstrate strong efforts to manage the most material ESG risks & opportunities. Laggard companies may be more vulnerable to disruptions arising from ESG events.

ESG Leader in the Impact Report: To be highlighted as an ESG Leader, a company must have an MSCI ESG Rating of AAA or AA. The ESG leader highlighted is selected by MSCI ESG Research using the following criteria:

1. Fund holding with the largest weight, then
2. Fund holding with highest Overall Controversy Score

CARBON FOOTPRINT

MSCI ESG Carbon Emissions: Carbon footprint helps to understand a portfolio's normalized carbon footprint per million dollars invested.

Tangible Equivalents: The carbon footprint is also transformed into metrics that may be more intuitive by using the US EPA's calculation for converting greenhouse gas emissions (tCO₂e) numbers into different types of equivalent units. More information on conversion methodology can be found at: epa.gov/energy

MSCI ESG Carbon Risk: Carbon Risk represents the fund's weighted average carbon intensity (tCO₂e / \$M sales) which is a measure of the fund's exposure to carbon intensive companies. The figure is the sum of security weight (normalized for corporate positions only) multiplied by the security Carbon Intensity.

GENDER DIVERSITY

MSCI ESG Gender Diversity: Gender diversity is defined as the percentage of the fund's market value exposed to companies where women comprise at least 30% of the board of directors. The report shows the difference between the percentage of the fund's market value exposed to companies where women comprise at least 30% of the board of directors, and the percentage of the reference benchmark's market value exposed to companies where women comprise at least 30% of the board of directors.

SUSTAINABLE IMPACT

The UN Sustainable Development Goals (SDGs) have emerged as the dominant framework for investing for impact. MSCI ESG Research assesses portfolio alignment with the UN SDGs mapping a portfolio's exposure to Sustainable Impact Solutions. This reflects the extent to which portfolio company revenue is exposed to products and services that help solve the world's major social and environmental challenges. It is calculated as a weighted average, using portfolio weights and each issuer's percent of revenue generated from Sustainable Impact Solutions. A fund must have at least 1% weighted average revenue exposure to a particular SDG to be considered aligned with the SDG.

To be eligible to contribute, an issuer must maintain "Minimum ESG Standards" as defined by MSCI ESG Research: MSCI ESG Rating of BB and above, controversy score greater than 2, and business involvement screens related to alcohol, tobacco, predatory lending, controversial weapons, nuclear weapons, and civilian firearms. For specific revenue thresholds, please refer to the index methodology document for the [MSCI ACWI Sustainable Impact Index](#).

Sustainable Impact Examples in the Portfolio: To be eligible to be highlighted, a company must satisfy the "Minimum ESG Standards" described above, and must have >50% revenue from sustainable impact solutions. The final highlighted companies are selected by MSCI ESG Research based on highest fund holding weight. If the fund doesn't have companies satisfying >50% revenue threshold, then a >20% revenue threshold can be applied. MSCI also picks highlighted companies across individual sustainable impact themes: alternative energy, major disease treatment, nutrition, green building, sanitation, and sustainable impact solutions.

MSCI FUND RATINGS

To be included in MSCI ESG Fund Ratings, 65% of the fund's gross weight must come from securities covered by MSCI ESG Research (certain cash positions and other asset types deemed not relevant for ESG analysis by MSCI are removed prior to calculating a fund's gross weight; the absolute values of short positions are included but treated as uncovered), the fund's holdings date must be less than one year old, and the fund must have at least ten securities. Please refer to the MSCI ESG Fund Ratings Methodology for more information.

Important Information about MSCI

About MSCI ESG Research

MSCI ESG Research provides in-depth research, ratings and analysis of the environmental, social and governance-related business practices of thousands of companies worldwide. Our research is designed to provide critical insights that investors may use as part of their implementation of responsible investment objectives and to identify environmental, social and governance risks and opportunities that traditional investment research may overlook.

MSCI ESG Research data and ratings are used in the construction of the MSCI ESG Indexes. Our suite of over 900 equity and fixed income indexes are designed to help institutional investors more effectively benchmark ESG investment performance, issue index-based investment products, as well as manage, measure and report on ESG mandates.

MSCI Disclaimer

Certain information ©2020 MSCI ESG Research LLC. Reproduced by permission; no further distribution. For more information, visit us at www.msci.com/esg

Certain information contained herein (the "Information") has been provided by MSCI ESG Research LLC, aRIA under the Investment Advisers Act of 1940, and may include data from its affiliates (including MSCI Inc. and its subsidiaries ("MSCI")), or third party suppliers (each an "Information Provider"), and it may not be reproduced or disseminated in whole or in part without prior written permission. The Information has not been submitted to, nor received approval from, the US SEC or any other regulatory body. The Information may not be used to create any derivative works, or in connection with, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund's assets under management or other measures. MSCI has established an information barrier between equity index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. Neither MSCI ESG Research nor any Information Party makes any representations or express or implied warranties (which are expressly disclaimed), nor shall they incur liability for any errors or omissions in the Information, or for any damages related thereto. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited.