

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant, relationship manager or other professional adviser immediately. This letter is available in languages other than English and copies can be obtained at [www.iShares.com](http://www.iShares.com) or requested by calling 08453577000 (UK number) (please refer to the website for international phone numbers)**

17 December 2025

**To:** Shareholders in iShares € High Yield Corp Bond ESG Paris-Aligned Climate UCITS ETF (the "**Fund**"), a sub-fund of iShares III plc (the "**Company**") (ISIN: IE000H92C4B8)

Dear Shareholder,

The Directors of the Company wish to inform you of certain changes that will be made by Bloomberg Index Services Limited (the "**Index Provider**"), to the Bloomberg MSCI Euro Corporate High Yield Climate Paris-Aligned ESG Select Index (PAB) (the "**Index**"), the benchmark index of the Fund.

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

The changes being made to the methodology of the Index will not have a material effect either on the manner in which your investment is

**iShares III public limited company**  
200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland | [www.ishares.com](http://www.ishares.com)

iShares III public limited company  
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; Pdraig 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.

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) ("**SFDR**") and the Index will continue to meet the standards for an EU Paris-aligned benchmark ("**PAB**") set out in the Commission Delegated Regulation (EU) 2020/1818 (the "**Delegated Regulation**").

### **Changes to the methodology of the Index and rationale**

The Index aims to reflect the performance of a sub-set of fixed income securities within the Bloomberg European High Yield 3% Issuer Capped Index (the "**Parent Index**") which are selected and weighted in accordance with the Index methodology, whilst seeking to exceed the minimum standards for a PAB.

Following the application of various exclusionary criteria, the constituents of the Index are selected and weighted using an optimisation process which seeks (amongst other objectives) to increase the weighted exposure to issuers setting carbon reduction targets relative to the constituents of the Parent Index, and which comply with the requirements of Article 6(a) of the Delegated Regulation (the "**Target Overweighting**").

Having considered the greenhouse gases emission reduction targets data published by issuers against the requirements of Article 6(a) of the

**iShares III public limited company**  
**200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland | [www.ishares.com](http://www.ishares.com)**

iShares III public limited company  
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; Pdraig 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.

Delegated Regulation, the Index Provider has determined to change the methodology of the Index to remove the Target Overweighting. This change to the methodology of the Index is not expected to result in any impact on tracking error or performance of the Index.

### **Changes to the Fund's offering documents**

It is anticipated that the Index description in the Company's prospectus (the "**Prospectus**"), the Fund's SFDR pre-contractual disclosures document ("**PCD**") 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 change to the methodology of the Index on or around the Effective Date, or as soon as possible thereafter, subject to the approval of the Central Bank of Ireland. The proposed changes to the Prospectus and the PCD are set out in the appendix to this letter.

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 and legal costs related to the proposed changes. There are no expected transaction costs in relation to the proposed change.

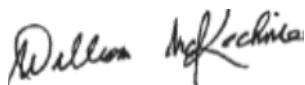
**iShares III public limited company**  
**200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland | [www.ishares.com](http://www.ishares.com)**

iShares III public limited company  
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; Pdraig 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.

## Further information

Please contact [info@iShares.com](mailto:info@iShares.com) if you have any queries concerning the changes outlined in this letter.

Yours faithfully



---

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

**iShares III public limited company**  
**200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland | [www.ishares.com](http://www.ishares.com)**

iShares III public limited company  
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.

## Appendix

iShares € High Yield Corp Bond ESG Paris-Aligned Climate UCITS ETF (the "Fund")

### Prospectus Redline

Securities must have an MSCI ESG Rating of B or higher for inclusion in the Benchmark Index. Issuers that have not been assessed by the index provider for an MSCI ESG rating are excluded from 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 MSCI ESG rating methodology aims to provide greater transparency and understanding of the ESG characteristics of issuers by identifying issuers with stronger MSCI ESG ratings as issuers that may be better positioned for future ESG-related challenges and that may experience fewer ESG-related controversies.

The remaining constituents are then weighted by the index provider in the Benchmark Index using the optimisation process outlined in the first paragraph of this section. In order to aim to exceed minimum standards of a PAB, the optimisation process has the following transition and physical climate risk targets:

- reduction of the weighted average absolute greenhouse gas (GHG) emissions relative to the Parent Index;
- reduction of the weighted average GHG emissions by a minimum annual rate relative to the GHG emissions at the Benchmark Index inception date;
- reduction of the weighted average carbon intensity relative to the Parent Index;

**iShares III public limited company**

**200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland | [www.ishares.com](http://www.ishares.com)**

iShares III public limited company

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; Pdraig 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.

- reduction of the weighted average carbon intensity by a minimum annual rate relative to the carbon intensity at the Benchmark Index inception date;
- increased weighted average green revenue relative to the Parent Index;
- maintaining a minimum green to fossil-fuel based ratio relative to the Parent Index;
- ~~increased exposure to issuers setting carbon reduction targets relative to the Parent Index;~~ and
- maintaining a minimum weighted average ESG score relative to the Parent Index;

according to the thresholds for such constraints determined by the index provider in the index methodology.

### **SFDR PCD Redline**

To be included in the Benchmark Index, issuers must have an MSCI ESG rating and the rating must be B or higher. An MSCI ESG rating is designed to measure an issuer's resilience to long-term industry material ESG risks and how well it manages ESG risks and opportunities 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.

Following the application of the above exclusionary criteria, the constituents of the Benchmark Index are selected and weighted using the index provider's optimisation process at each index rebalance which seeks to:

- reduce the weighted average absolute GHG emissions (Scope 1+2+3) by 50% compared to the Parent Index;

#### **iShares III public limited company**

**200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland | [www.ishares.com](http://www.ishares.com)**

iShares III public limited company

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; Pdraig 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.

- reduce the weighted average GHG emissions (Scope 1+2+3) by 7% on an annual basis;
- reduce the weighted average carbon intensity by 50% compared to the Parent Index;
- reduce the weighted average carbon intensity by 7% on an annual basis;
- increase the weighted average green revenue relative to the Parent Index;
- achieve a minimum green to fossil-fuel based ratio relative to the Parent Index
- ~~increase the weighted exposure to companies with credible carbon reduction targets;~~ and
- increase the weighted average ESG score relative to the Parent Index.

The following sustainability indicators form part of the ESG selection criteria of the Benchmark Index tracked by the Fund:

...

10. The weighted average green revenue relative to the Parent Index (see What environmental and/or social characteristics are promoted by this financial product?).

11. ~~The exposure to companies with credible carbon reduction targets as described above (see What environmental and/or social characteristics are promoted by this financial product?).~~

~~12.~~ The weighted average ratio of overall green revenue to fossil fuels-based revenue as described above (see What environmental and/or social characteristics are promoted by this financial product?).

...

**iShares III public limited company**

**200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland | [www.ishares.com](http://www.ishares.com)**

iShares III public limited company

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.

**iShares III public limited company**  
**200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland | [www.ishares.com](http://www.ishares.com)**

iShares III public limited company  
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.