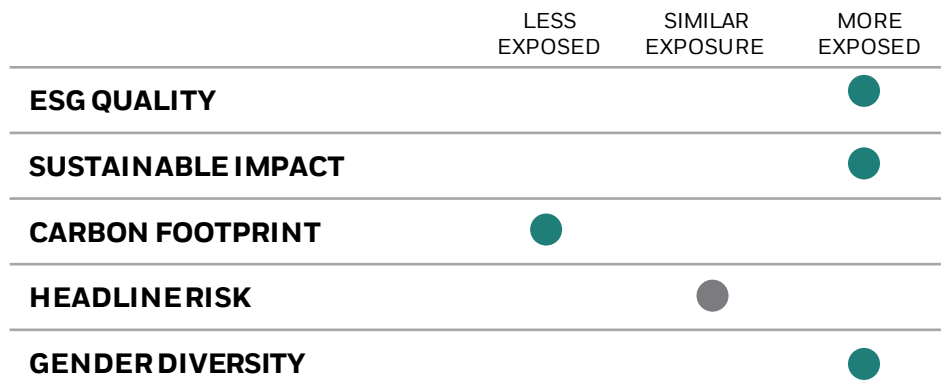


iShares ESG Aware MSCI USA Small Cap ETF – ESML

REFERENCE BENCHMARK: MSCI USA SMALL CAP INDEX*

Fund ESG Profile

Comparing ESML to the reference benchmark on exposure to key ESG metrics



RELATIVE TO REFERENCE BENCHMARK: ● Unfavorable ● Neutral ● Favorable

ESML 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 four Sustainable Development Goals, according to MSCI ESG Fund Ratings.

*The Reference Benchmark is the parent index of the index that the fund seeks to track. The parent index is a broad - market index. There may be material differences between the fund's index and the reference benchmark including without limitation holdings, methodology and performance.

ESG Quality

ESML achieves an MSCI ESG Quality Score of **6.1** out of 10 from MSCI ESG Fund Ratings:

25.6% higher than reference benchmark

MSCI ESG Coverage / Carbon Coverage (%)

ESML: 97.98% / 97.40%

Reference Benchmark: 97.17% / 96.49%

MSCI
ESG RATINGS



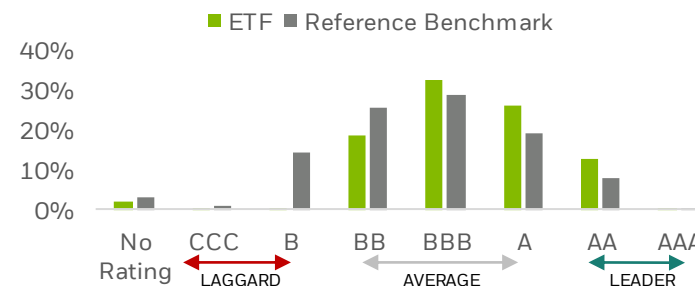
CCC B BB BBB A AA AAA

Reference Benchmark Rating: BBB

Peer Percentile: 82nd

Peer Percentile is based on 1,396 funds in the Equity US Sm&Mid Cap 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

Badger Meter Inc.

Systems Software | Fund weight: 0.19%



HIGHLIGHTS:

- Badger Meter has been upgraded to 'AAA' from 'AA'. The rating upgrade is driven by improvement in labor practices.
- The company leads peers in governance practices. Badger has a majority independent board which could provide enhanced management oversight. Further, it has an independent audit and pay committees.
- Badger appears to outperform peers in capitalizing opportunities in the clean technology space. As of 2019, it earned substantial revenue (estimated 77%) from clean technology products such as smart metering devices.

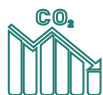
References to specific positions are strictly to highlight examples of ESG impact and should not be construed as investment advice or recommendations regarding those companies. For more information about theselection process, see the section entitled *Important Information regarding iShares Sustainable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

Source: MSCI ESG Fund Ratings as of 07/19/2021, based on holdings as of 05/31/2021. 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 ©2021 MSCI ESG Research LLC. Reproduced by permission; no further distribution.

iShares ESG Aware MSCI USA Small Cap ETF – ESML

REFERENCE BENCHMARK: MSCI USA SMALL CAP INDEX

Carbon Footprint



13.36% lower carbon emissions

One million US dollars invested in ESML implied an annual emissions reduction of **12.76 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:



31,655 miles driven by an average passenger car for one year



2.2 homes' energy use for one year



1,435 gallons of gasoline consumed

Gender Diversity



2.73% 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

ESML'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



1.48% greater exposure to sustainable solutions compared to the reference benchmark

ESML is aligned with **4 Sustainable Development Goals** based on MSCI ESG Research analysis of portfolio companies' products and services.



Examples from the portfolio:

Acuity Brands Inc

Fund weight: 0.18%

SDGs:



In FY 2020, ACUITY BRANDS, INC. derived an estimated 57.88 percent of its revenues from products or services that help reduce energy consumption and 0.07 percent of revenues from supplying alternative energy or providing products or services that support alternative energy.

Winnebago Industries Inc

Fund weight: 0.05%

SDGs:



In FY 2020, WINNEBAGO INDUSTRIES, INC. derived an estimated 4.49 percent of its revenues from products or services that help reduce energy consumption. The company manufactures and sells Recreation Vehicles (RV) that are all-electric.

Vishay Intertechnology Inc

Fund weight: 0.05%

SDGs:



In FY 2020, VISHAY INTERTECHNOLOGY, INC. derived an estimated 1.18 percent of its revenues from products or services that help reduce energy consumption. The company manufactures LED lighting products under its Optoelectronic Components segment.

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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.

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.

Small-capitalization companies may be less stable and more susceptible to adverse developments, and their securities may be more volatile and less liquid than larger capitalization companies.

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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 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 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 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.

MSCI Carbon Coverage (%): The percentage of a portfolio's market value with Carbon Intensity data.

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 ESG FUND RATINGS

To be included in MSCI ESG Fund Ratings, 65% of the fund's gross weight must come from securities with ESG coverage 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.

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