



**PUBLIC TRANSPARENCY REPORT**

**2023**

**UBS Asset Management**

Generated 15-12-2023

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

UBS's goal is to be the financial provider of choice for clients wishing to mobilize capital towards the achievement of the U.N. SDGs and the orderly transition to a low carbon economy (the Paris Agreement). We believe Sustainable and Impact Investing (SI) can result in better overall risk-adjusted outcomes for clients. By identifying long-term investment opportunities, anticipating and managing financially material ESG risks, engaging with relevant third parties, and creating products and services that take into account ESG considerations, we believe our investments will be more successful in the longer-term, positively impacting people and planet.

Our firm's common vision on the integration of material ESG factors in investment decisions and active ownership are set out in our SI policy.

As a largescale asset manager, we provide traditional, alternative, real estate, infrastructure and private equity investment solutions to private clients, financial intermediaries and institutional investors worldwide. We necessarily apply our approach to sustainable investing to suit the asset class and product type regions according to local regulations, market customs and client needs.

With a number of investment areas and a range of strategies within each area, the approach to ESG issues necessarily varies by product type and, to some extent, across countries/regions according to local regulations, market customs and client needs. ESG considerations are fully integrated across our active equity strategies, as well as all of our active fixed income strategies where sufficient ESG data is available. Within index equities and fixed income, we have extensive experience and expertise in incorporating sustainability factors in index funds and rules-based strategies. Our Real Estate and Private Markets business incorporates ESG considerations into investment processes and ongoing monitoring, grounded in the belief that this improves our risk-return profile and benefits clients and stakeholders of our real assets. Our Multi-Asset strategies embed ESG considerations into manager due diligence and monitoring processes.

Investment teams drive ESG integration.

Portfolio managers and analysts have access to a variety of ESG data through proprietary dashboards. They are supported by the SI team, a global team of sustainability experts dedicated to research, active ownership, SI reporting, and product innovation. In 2022, the SI team added 19 dedicated and experienced people across regions, more than doubling the strength of our capabilities. We continue to enhance the governance of our active ownership approach with updated policies and guidelines. We also onboarded more than 10 new ESG data sets in 2022, supporting our insights on companies for investment decision making.

We strive to continuously align our efforts with the topics that matter most to our clients, which include: (1) progressing UBS AM's net zero commitment (we are a founding signatory to the Net Zero Asset Manager Initiative), (2) advancing active ownership outcomes and (3) partnering with our clients to launch innovative sustainable investment solutions.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

2022 laid bare the real challenges on the climate transition journey, and made clear that the ride will not always be smooth. The rise of concerns about energy security underscore the reality that we already knew: there are myriad reasons to support the diversification of the energy system. The necessary transformation will likely take a bumpy trajectory and the attendant volatility in markets and supply is another factor that investors need to take into account. At UBS AM we remained committed to our net zero ambition, active ownership outcomes and building innovative sustainable investment solutions. Certainly, the Russian invasion of Ukraine generated dislocation on many fronts in 2022, but in reality it brought attention to issues that were already at play and influencing the transition, such as, supply chain security, nationalization, and, in general, the identity of the ESG evolution. And, the engagement vs. divestment debate rages on; and for those of us in the former camp, it is a stark reminder to up our game.

Net zero commitment: During 2022 we made progress across the foundational pillars required to deliver on our net zero interim target of aligning 20% of total AUM to achieve a 50% carbon reduction by 2030. This included enhanced data sourcing and governance, developing asset-class-specific net-zero-aligned frameworks, and extending our long-standing climate engagement program. We have also expanded our engagement universe by 50%, noted further below.

Active ownership outcomes: We established our climate engagement program with net zero related objectives by developing a framework to categorise issuers on climate progress, enabling us to assess and engage issuers on their transition plans. We also advanced our social thematic engagement program, focusing on three key themes: human rights, human capital and health (nutrition and chemical safety). We saw key outcomes with companies strengthening their nutrition strategy by improving practices, introducing targets to increase the healthiness of their portfolio, adopting policies and enhancing transparency.

In 2022 overall, we conducted 461 engagement meetings with 330 companies. We saw progress against objectives in 62% of our engagement interactions. Some examples of engagement outcomes achieved:

- Increased board diversity and independence
- Publication of energy transition plans
- Announcement of new or strengthened emission reduction targets

Innovative sustainable investment solutions: In 2022 we expanded our offering of SI strategies and continued to provide customize solutions for clients wishing to reflect their own sustainability preferences in portfolios.

We partnered with Aon to co-develop and launch the UBS Global Equity Climate Transition Fund. We also launched our Innovation Fund to invest in listed equity leaders across four key themes: Planet/Climate, People/Health, Digitalization and Additional Diversifiers. In our effort to evolve with our clients' SI preferences, we converted 20 portfolios from a traditional investment process to introduce SI objectives. We are able to achieve this type of result by closely partnering with clients on their SI journey.

We actively participate in industry initiatives and other forms of collaboration, such as TCFD, the Swiss Climate Scores, and the IFRS ISSB Investor Advisory Group.

UBS Farmland Investors is a founding member of the Leading Harvest Farmland Management Standard. UBS AM also joined the Energy Storage Solutions Consortium, a group of leading organizations pioneering methods to assess and maximize the greenhouse gas reduction potential of energy storage.

In 2022, UBS AM gained industry recognition for our efforts in offering clients world-class expertise and sustainable solutions, including:

- CDP: Climate A List
- Responsible Investment Brand Index 2021: Avant-Gardist status.
- Hirschel & Kramer: Ranked first in Switzerland
- Steward Leadership 25 (SL25)
- GRESB Real Estate and Infrastructure Assessments: All previously rated funds achieved four- or five-star status, reflecting first- or second-quintile results compared with other funds in their peer groups.

### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

We previously noted our emphasis on stewardship and expanding our thematic engagement to key social topics in addition to environmental issue areas that we believe are material for financial performance and real-world outcomes. This as well as our commitment to growing our sustainable investment offerings remain key priorities. We further refined our priority areas in 2022, outlining five strategic priorities as we seek to advance our commitment to SI. To support this aim, we added 19 dedicated and experienced people across Asia, Europe and the US, more than doubling the strength of our capabilities in 2022. We also onboarded more than 10 new ESG data sets in 2022, supporting our insights on companies for investment decision making.

**Net Zero:** At UBS AM, we continue to invest in the necessary data and infrastructure to support management and monitoring of portfolios, issuer alignment and real economy decarbonization. We will continue to build out individual portfolio targets, track progress and report climate metrics, as well as provide enhanced reporting for clients and PMs. Our team is also focused on proactively engaging clients to support their net zero ambition, as well as supporting the real economy's decarbonization through active ownership. In line with this priority, we onboarded 60 new climate data points and launched dedicated portfolios in 2023 with a net zero ambition. We developed a new methodology to assess companies' alignment to net zero consistent with our engagement program. We launched our Climate Action investment strategy, as well as a dedicated Energy Storage offering as part of our Infrastructure business. These advances support our aim to execute against net zero targets.

**Impact investing:** We have a dedicated impact investing capability, and created a framework harmonizing our Impact Investing standards across asset classes.

We aim to build on this framework with additional impact data sources to support measurement and reporting of outcomes and additionality.

**Active ownership leader:** We enhanced our active ownership approach by setting clear objectives to support client portfolios, including objectives that concern systemic sustainability issues and global norms. We introduced additional criteria to curate a list of engagement targets encompassing our thematic programs with a focus on increasing positive outcomes.

To support our social engagement program we joined the 30% Club's UK Chapter (where we chair the global engagement stream), the Investor Alliance for Human Rights and the partnership with the Investor Environmental Health Network / The Chemical Footprint Project.

Differentiation through customization: We recently established a partnership with a leading environmental research think tank to commission research on climate and natural capital. We anticipate this will support our aim to develop metrics that can be further customized around these issue areas for client portfolios.

Our commitment to customization is further evidenced by the recent launch of our SDG Outcomes blended finance initiative, which attracted investments from both the US and UK governments. Looking ahead, we continue to expand our offering of the building blocks clients need to apply SI across asset classes and offer tailored solutions through separately managed accounts.

Grow our sustainable investment offerings across asset classes: We believe it is important to offer clients the ability to embed sustainability across the whole of their portfolio.

Our Real Estate & Private Markets team has expanded their capability to offer new innovative options in real assets. In recent months we launched a Fund of Hedge Funds with environmental and social promotion characteristics consistent with SFDR. Historically this is an asset class with few options for sustainability-minded investors. We also recently launched a carbon ETC (carbon tracker). Going forward, we intend to continue pioneering new SI strategies across asset classes.

#### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Lucy Thomas

Position

Head of Sustainable Investing and Impact at UBS Asset Management

Organisation's Name

UBS Asset Management

A

**'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.**

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# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2022

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No



## ASSETS UNDER MANAGEMENT

### ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 1,041,124,877,983.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 23,059,423,092.00

### ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	>10-50%	>0-10%
(B) Fixed income	>10-50%	0%
(C) Private equity	0%	>0-10%
(D) Real estate	>0-10%	>0-10%
(E) Infrastructure	>0-10%	>0-10%
(F) Hedge funds	>0-10%	>0-10%
(G) Forestry	0%	0%
(H) Farmland	>0-10%	0%
(I) Other	>10-50%	>0-10%
(J) Off-balance sheet	>10-50%	0%

**(I) Other - (1) Percentage of Internally managed AUM - Specify:**

Multi-Asset

**(I) Other - (2) Percentage of Externally managed AUM - Specify:**

Multi-Asset

**(J) Off-balance sheet - (1) Percentage of Internally managed AUM - Specify:**

Money Market

## ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a further breakdown of your organisation's externally managed listed equity and/or fixed income AUM.

### (1) Listed equity

(A) Active >50-75%

(B) Passive >10-50%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2	CORE	OO 5, OO 5.1	SAM 3, SAM 8	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

### (1) Segregated mandate(s)

### (2) Pooled fund(s) or pooled investment(s)

(A) Listed equity - active	>10-50%	>50-75%
(B) Listed equity - passive	>10-50%	>75%
(E) Private equity	>50-75%	>10-50%
(F) Real estate	>10-50%	>50-75%
(G) Infrastructure	>50-75%	>10-50%
(H) Hedge funds	>75%	>10-50%

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity >50-75%

(B) Active – quantitative >0-10%

(C) Active – fundamental >10-50%

(D) Other strategies 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

**Provide a further breakdown of your internally managed fixed income AUM.**

(A) Passive – SSA >10-50%

(B) Passive – corporate >10-50%

(C) Active – SSA >10-50%

(D) Active – corporate >10-50%

(E) Securitised >10-50%

(F) Private debt 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED REAL ESTATE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 RE	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed real estate	GENERAL

**Provide a further breakdown of your internally managed real estate AUM.**

(A) Retail >10-50%

(B) Office >10-50%

(C) Industrial >10-50%

(D) Residential >10-50%

(E) Hotel >0-10%

(F) Lodging, leisure and recreation 0%

(G) Education >0-10%

(H) Technology or science >0-10%

(I) Healthcare 0%

(J) Mixed use 0%

(K) Other >0-10%

**(K) Other - Specify:**

Farmland

## ASSET BREAKDOWN: INTERNALLY MANAGED INFRASTRUCTURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 INF	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed infrastructure	GENERAL

**Provide a further breakdown of your internally managed infrastructure AUM.**

(A) Data infrastructure >10-50%

(B) Diversified 0%

(C) Energy and water resources >10-50%

(D) Environmental services 0%

(E) Network utilities >10-50%

(F) Power generation (excl. renewables) 0%

(G) Renewable power >10-50%

(H) Social infrastructure 0%

(I) Transport >10-50%

(J) Other 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED HEDGE FUND

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 HF	CORE	OO 5	OO 11	PUBLIC	Asset breakdown: Internally managed hedge fund	GENERAL

**Provide a further breakdown of your internally managed hedge fund assets.**

(A) Multi-strategy >10-50%

(B) Long/short equity >0-10%

(C) Long/short credit 0%

(D) Distressed, special situations  
and event-driven fundamental >10-50%

(E) Structured credit 0%

(F) Global macro 0%

(G) Commodity trading advisor 0%

(H) Other strategies >10-50%

**(H) Other strategies - Specify:**

Private Credit, Working Capital

## MANAGEMENT BY PRI SIGNATORIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6	CORE	OO 5	N/A	PUBLIC	Management by PRI signatories	GENERAL

**What percentage of your organisation's externally managed assets are managed by PRI signatories?**

>50-75%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

### AUM in Emerging Markets and Developing Economies

(A) Listed equity	(4) >20 to 30%
(B) Fixed income – SSA	(2) >0 to 10%
(C) Fixed income – corporate	(2) >0 to 10%
(D) Fixed income – securitised	(1) 0%
(F) Private equity	(2) >0 to 10%
(G) Real estate	(2) >0 to 10%
(H) Infrastructure	(2) >0 to 10%
(I) Hedge funds	(2) >0 to 10%



# STEWARDSHIP

## STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(2) Listed equity - passive	(3) Fixed income - active	(4) Fixed income - passive	(5) Private equity
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

  

	(6) Real estate	(7) Infrastructure	(8) Hedge funds	(10) Farmland	(11) Other
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 HF	CORE	OO 5	OO 9	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation have direct investments in listed equity across your hedge fund strategies?

- (A) Yes  
 (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

	(1) Listed equity - active	(2) Listed equity - passive	(3) Hedge funds
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active	(9) >70 to 80%
(B) Listed equity - passive	(9) >70 to 80%
(C) Hedge funds	(3) >10 to 20%

## ESG INCORPORATION

### INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?

	(1) Yes, we incorporate ESG factors into our investment decisions	(2) No, we do not incorporate ESG factors into our investment decisions
(A) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - active - quantitative	<input checked="" type="radio"/>	<input type="radio"/>
(C) Listed equity - active - fundamental	<input checked="" type="radio"/>	<input type="radio"/>

(E) Fixed income - SSA	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income - corporate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income - securitised	<input type="radio"/>	<input checked="" type="radio"/>
(J) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(K) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(L) Hedge funds - Multi-strategy	<input type="radio"/>	<input checked="" type="radio"/>
(M) Hedge funds - Long/short equity	<input type="radio"/>	<input checked="" type="radio"/>
(O) Hedge funds - Distressed, special situations and event-driven fundamental	<input type="radio"/>	<input checked="" type="radio"/>
(S) Hedge funds - Other strategies	<input type="radio"/>	<input checked="" type="radio"/>
(U) Farmland	<input checked="" type="radio"/>	<input type="radio"/>
(V) Other: Multi-Asset	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER SELECTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager selection	1

**For each externally managed asset class, does your organisation incorporate ESG factors when selecting external investment managers?**

	(1) Yes, we incorporate ESG factors when selecting external investment managers	(2) No, we do not incorporate ESG factors when selecting external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input type="radio"/>	<input checked="" type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(H) Hedge funds	<input type="radio"/>	<input checked="" type="radio"/>
(K) Other: Multi-Asset	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER APPOINTMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager appointment	1

**For each externally managed asset class, does your organisation incorporate ESG factors when appointing external investment managers?**

	(1) Yes, we incorporate ESG factors when appointing external investment managers	(2) No, we do not incorporate ESG factors when appointing external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input type="radio"/>	<input checked="" type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>

(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(H) Hedge funds	<input type="radio"/>	<input checked="" type="radio"/>
(K) Other: Multi-Asset	<input type="radio"/>	<input checked="" type="radio"/>

## EXTERNAL MANAGER MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager monitoring	1

For each externally managed asset class, does your organisation incorporate ESG factors when monitoring external investment managers?

	(1) Yes, we incorporate ESG factors when monitoring external investment managers	(2) No, we do not incorporate ESG factors when monitoring external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input type="radio"/>	<input checked="" type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(H) Hedge funds	<input type="radio"/>	<input checked="" type="radio"/>
(K) Other: Multi-Asset	<input checked="" type="radio"/>	<input type="radio"/>

## ESG IN OTHER ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 15	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG in other asset classes	1

### Describe how your organisation incorporates ESG factors into the following asset classes.

#### Internally managed (B) Farmland

UBS Farmland Investors is a founding member of Leading Harvest, an outcomes-based sustainability standard that addresses economic, environmental, social, and governance matters through farm management. The Standard is comprised of 13 objectives, 33 performance measures, and 71 indicators core to farmland sustainability. 100% of the farmland acres we manage are enrolled in and certified to the Standard. Conformance to the Standard is assured through independent, third-party certification. A publicly available copy of our audit summary report is available at <https://www.leadingharvest.org/s/UBS-LH-FMS-Audit-Summary-Report.pdf>.

#### (C) Other

We apply the same expectations for high standards of ESG integration and active ownership across our multi-asset strategies for both internal and external portfolio managers. See wording below for Externally managed Multi Asset.

#### Externally managed (F) Other

We apply the same expectations for high standards of ESG integration and active ownership across our multi-asset strategies for both internal and external portfolio managers. The evaluation of external strategies is subject to the same rigor to ensure that external managers deliver to their respective stated sustainability objectives. External managers will use different methodologies, data providers and sources for the exact application of the criteria in their investment process. We evaluate external strategies to assess whether they meet UBS's sustainability criteria as well as their overall suitability for use within UBS-AM multi asset, multi-manager portfolios.

Our framework for assessment includes:

##### Qualitative

- Firm's history and culture
- Commitment to various sustainable initiatives such as: UN PRI, UK Stewardship Code, Paris Aligned Initiative
- Resources such as: ESG data analytics, people, experience and tools
- Governance, policies and oversight

##### Quantitative

- Further diagnosis both on the security and portfolio level, using UBS-AM proprietary tools where possible
- Compare and contrast ESG diagnostics provided by external managers

Our portfolio managers pay particular attention to the existing ESG resources of the external asset managers, such as:

- Quality of the research team
- Investment staff dedicated to ESG integration

- Experience of the individual staff members in the sustainability area
- The analytical and research tools used to assess the ESG profile of securities
- The investment process with regard to the consideration of ESG risks in portfolio construction
- Whether the ESG integration and stewardship processes fit the objective of the strategy
- Firm governance and transparency

We regularly monitor externally managed strategies to ensure that they continue to meet their sustainability and investment objectives as expected.

This monitoring process involves the compilation and assessment of quarterly ESG data provided by the external managers in addition to the key elements underlying the original investment thesis. This includes the collection of standardized quarterly, due diligence questionnaires which is focused on capturing any changes to the elements underlying the team's investment thesis as well as the degree of progress toward sustainability objectives with custom questions directed to ESG-integrated, sustainable and impact-type investments.

The assessment of third-party manager ESG data seeks to identify change (either positive or negative) in the key elements that define and support the strategy.

After assessing the ESG data, follow up calls or meetings with managers are performed to discuss any material changes in the above to reconfirm our conviction that external managers will likely continue to meet their stated sustainability objectives.

During the ongoing due diligence process, an evaluation of ESG scores from the underlying manager strategies takes place. This often creates points of discussion to better understand the managers' thesis as to why they believe an investment meets their ESG criteria. Additionally, for impact investing, the ongoing monitoring process tracks the progress of managers with their engagements and holds them to account in their ability to complete their stated objectives with each engagement. Managers typically discuss what their milestones are for each engagement and our due diligence process determines if they are falling behind, on target, or ahead of the curve in terms of meeting their stated objectives.

All materials collected and produced during the initial and ongoing due diligence phases are stored for reference and governance purposes.

This enables the team to track changes, as well as the investment and ESG objective successes and failures, for each strategy. The strategies are reviewed and approved by a Manager Selection Research Group Investment Committee.

## ESG NOT INCORPORATED

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG not incorporated	1

### Describe why your organisation does not currently incorporate ESG factors into your investment decisions.

Internally managed  
(G) Fixed income – securitised

We don't incorporate ESG factors into our investment decisions because of a lack of data availability especially on the pool basis.



#### (L) Hedge funds

While UBS O'Connor doesn't have an explicit ESG integration policy, UBS O'Connor adheres to the UBS Group policy which prevents investments in companies involved in the development, production or purchase of cluster munitions and anti-personnel mines determined to fall within the Swiss Federal Act on War Materials. Equally, we will not invest in any countries and/or regions that have been identified on the UBS Group Sanctioned List.

#### Externally managed

##### (Q) Listed equity – passive

We don't incorporate ESG factors into our investment decisions because we are tracking a non-ESG index for our passive/indexed Swiss Real Estate Securities accounts.

##### (W) Hedge funds

HFS does not currently incorporate ESG factors into investment decisions.

HFS has a bottom-up ESG framework that is applied across investment, structuring and operational due diligence, with the objective to enhance existing manager due diligence by evaluating degrees of integration of environmental, social and governance considerations in the managers' investment strategy and business/operational infrastructure. This bottom-up ESG framework is only informative in nature and does not impact any investment or portfolio decisions unless a fund is being specifically considered for a dedicated hedge fund portfolio that incorporates sustainable investment considerations.

##### (Z) Other

We evaluate externally managed strategies to assess whether they meet UBS's sustainability criteria, and we regularly monitor them to ensure that they continue to meet their sustainability and investment objectives as expected. As we invest mainly in funds, formal setting of ESG goals or objectives via contractual agreements, side letters, or other legal documentation is not applicable.

## ESG STRATEGIES

### LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?**

#### Percentage out of total internally managed active listed equity

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	>75%

(E) Thematic and integration	0%
(F) Screening and thematic	0%
(G) All three approaches combined	>0-10%
(H) None	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

**What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?**

**Percentage coverage out of your total listed equity assets where a screening approach is applied**

(A) Positive/best-in-class screening only	0%
(B) Negative screening only	>75%
(C) A combination of screening approaches	>10-50%

## FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?**

	(1) Fixed income - SSA	(2) Fixed income - corporate
(A) Screening alone	0%	0%
(B) Thematic alone	0%	0%
(C) Integration alone	0%	0%
(D) Screening and integration	>10-50%	>75%
(E) Thematic and integration	0%	0%
(F) Screening and thematic	0%	0%
(G) All three approaches combined	0%	>0-10%
(H) None	>50-75%	>0-10%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

**What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?**

	(1) Fixed income - SSA	(2) Fixed income - corporate
(A) Positive/best-in-class screening only	0%	0%
(B) Negative screening only	>75%	>50-75%
(C) A combination of screening approaches	>0-10%	>10-50%

# ESG/SUSTAINABILITY FUNDS AND PRODUCTS

## LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>10-50%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

**Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?**

(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications

Provide the percentage of AUM that your labelled and/or certified products and/or funds represent:

>10-50%

- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.2	CORE	OO 18.1	N/A	PUBLIC	Labelling and marketing	1

**Which ESG/RI certifications or labels do you hold?**

- (A) Commodity type label (e.g. BCI)
- (B) GRESB
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM
- (F) CBI Climate Bonds Standard
- (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV-Nachhaltigkeitskodex-ESG-Impact

- (I) EU Ecolabel
- (J) EU Green Bond Standard
- (K) Febelfin label (Belgium)
- (L) Finansol
- (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (N) Greenfin label (France)
- (O) Grüner Pfandbrief
- (P) ICMA Green Bond Principles
- (Q) ICMA Social Bonds Principles
- (R) ICMA Sustainability Bonds Principles
- (S) ICMA Sustainability-linked Bonds Principles
- (T) Kein Verstoß gegen Atomwaffensperrvertrag
- (U) Le label ISR (French government SRI label)
- (V) Luxflag Climate Finance
- (W) Luxflag Environment
- (X) Luxflag ESG
- (Y) Luxflag Green Bond
- (Z) Luxflag Microfinance
- (AA) Luxflag Sustainable Insurance Products

**(AB) National stewardship code**

Specify:

- The UK Stewardship Code, Financial Reporting Council, 2019
- Japanese stewardship code, FSA, 2020
- US Stewardship Framework for Institutional Investors, The Investor Stewardship Group, 2018
- Hong Kong principle of responsible ownership, Securities and Future Commission
- Stewardship Principles for Institutional Investors, Taiwan Stock Exchange, 2016
- Singapore Stewardship Principles, Stewardship Asia 2016

- (AC) Nordic Swan Ecolabel
- (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
- (AE) People's Bank of China green bond guidelines
- (AF) RIAA (Australia)
- (AG) Towards Sustainability label (Belgium)
- (AH) Other

## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 19	CORE	OO 5.3 FI, OO 11	LE 8, FI 10	PUBLIC	Passive investments	1

**What percentage of your total internally managed passive listed equity and/or fixed income passive AUM utilise an ESG index or benchmark?**

**Percentage of AUM that utilise an ESG index or benchmark**

(A) Listed equity - passive	>10-50%
(B) Fixed income - passive	>10-50%

**THEMATIC BONDS**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 17 FI	FI 15, FI 17	PUBLIC	Thematic bonds	1

**What percentage of your total environmental and/or social thematic bonds are labelled by the issuers in accordance with industry-recognised standards?**

**Percentage of your total environmental and/or social thematic bonds labelled by the issuers**

(A) Green or climate bonds	>50-75%
(B) Social bonds	>0-10%
(C) Sustainability bonds	>10-50%
(D) Sustainability-linked bonds	>0-10%
(E) SDG or SDG-linked bonds	0%
(F) Other	0%
(G) Bonds not labelled by the issuer	0%

# SUMMARY OF REPORTING REQUIREMENTS

## SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(A) Listed equity – passive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) Listed equity – active – quantitative	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(J) Real estate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(K) Infrastructure	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(T) External manager selection, appointment and monitoring (SAM) – listed equity - active	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

(X) External manager selection, appointment and monitoring (SAM) – private equity

(Y) External manager selection, appointment and monitoring (SAM) – real estate

(Z) External manager selection, appointment and monitoring (SAM) – infrastructure

## OTHER ASSET BREAKDOWNS

### REAL ESTATE: BUILDING TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 24	CORE	OO 21	RE 1, RE 9 - 10	PUBLIC	Real estate: Building type	GENERAL

What is the building type of your physical real estate assets?

- (A) Standing investments
- (B) New construction
- (C) Major renovation

### REAL ESTATE: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 25	CORE	OO 21	N/A	PUBLIC	Real estate: Ownership level	GENERAL

What is the percentage breakdown of your physical real estate assets by the level of ownership?

- (A) A majority stake (more than 50%)  
Select from the list:
  - (1) >0 to 10%
  - (2) >10 to 50%
  - (3) >50 to 75%
  - (4) >75%
- (B) A significant minority stake (between 10–50%)



Select from the list:

- (1) >0 to 10%
- (2) >10 to 50%

(C) A limited minority stake (less than 10%)

## REAL ESTATE: MANAGEMENT TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 26	CORE	OO 21	RE 1, RE 6–8, RE 13	PUBLIC	Real estate: Management type	GENERAL

**Who manages your physical real estate assets?**

- (A) Direct management by our organisation
- (B) **Third-party property managers that our organisation appoints**
- (C) Other investors or their third-party property managers
- (D) **Tenant(s) with operational control**

## INFRASTRUCTURE: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 27	CORE	OO 21	N/A	PUBLIC	Infrastructure: Ownership level	GENERAL

**What is the percentage breakdown of your organisation's infrastructure assets by the level of ownership?**

- (A) **A majority stake (more than 50%)**

Select from the list:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75%

- (B) **A significant minority stake (between 10–50%)**

Select from the list:

- (1) >0 to 10%
- (2) >10 to 50%

(C) A limited minority stake (less than 10%)

## INFRASTRUCTURE: STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 28	CORE	OO 21	N/A	PUBLIC	Infrastructure: Strategy	GENERAL

What is the investment strategy for your infrastructure assets?

- (A) Core
- (B) Value added
- (C) Opportunistic
- (D) Other

## INFRASTRUCTURE: TYPE OF ASSET

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 29	CORE	OO 21	INF 1	PUBLIC	Infrastructure: Type of asset	GENERAL

What is the asset type of your infrastructure?

- (A) Greenfield
- (B) Brownfield

## INFRASTRUCTURE: MANAGEMENT TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 30	CORE	OO 21	Multiple, see guidance	PUBLIC	Infrastructure: Management type	GENERAL

Who manages your infrastructure assets?

- (A) Direct management by our organisation
- (B) Third-party infrastructure operators that our organisation appoints
- (C) Other investors, infrastructure companies or their third-party operators
- (D) Public or government entities or their third-party operators

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

## POLICY, GOVERNANCE AND STRATEGY (PGS)

### POLICY

#### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here

Specify:

External Commitments and codes to which we are a signatory

- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

**Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?**

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues

Specify:

For example, our UBS Sustainability and Climate Risk policy framework has established certain guidelines related to “areas of concern” whereby certain restrictions are in place across biodiversity and nature-related investment concerns

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

**Which elements of your formal responsible investment policy(ies) are publicly available?**

- (A) Overall approach to responsible investment

Add link:

<https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html>

- (B) Guidelines on environmental factors

Add link:

<https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html>

- (C) Guidelines on social factors

Add link:

<https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html>

- (D) Guidelines on governance factors

Add link:

<https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html>

- (E) Guidelines on sustainability outcomes

Add link:

<https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html>

- (F) Specific guidelines on climate change (may be part of guidelines on environmental factors)

Add link:

<https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html>

**(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

<https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html>

**(H) Specific guidelines on other systematic sustainability issues**

Add link:

<https://www.ubs.com/global/en/sustainability-impact/sustainability-reporting.html>

**(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

<https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html>

**(J) Guidelines on exclusions**

Add link:

<https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html>

**(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

<https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html>

**(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html>

**(N) Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

<https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html>

**(O) Stewardship: Guidelines on (proxy) voting**

Add link:

<https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html>

**(P) Other responsible investment aspects not listed here**

Add link:

<https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html>

(Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

(A) Yes

Elaborate:

Our sustainable investment policy reflects the belief that our approach to sustainable investing reinforces our fiduciary duty to clients: At UBS-AM we define sustainability as the ability to leverage the ESG (Environmental, Social and Governance) factors of business practices seeking to generate opportunities and mitigate risks that contribute to the long-term performance of companies. We regard sustainable investing as a set of investment strategies that incorporate material ESG considerations into investment decisions.

It is our belief that ESG issues and opportunities can affect investment performance, and by considering these factors we can deliver better informed investment decisions.

Hence, we regard sustainable investing (SI) as an integral element in fulfilling our fiduciary duties toward our clients.

In our view, fulfilling our fiduciary duties and acting as good stewards of our clients' assets also entails the avoidance of investments which are deemed undesirable, either by us or our clients. As such we have defined a standard set of minimum exclusions.

In addition, we regard stewardship as an integral part of our fiduciary duty and in this regard our commitment is to take an active approach to stewardship, through a clear and structured program encompassing integration of ESG factors into investment decision making, engagement, proxy voting and advocacy. In doing so we strive to align our approach with our clients' own investment beliefs, policies and requirements.

(B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?**

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other

Specify:

- Use of voting services
- Voting on stock lending positions
- Our commitment to stewardship codes / industry initiatives and best practice
- Reporting of our Stewardship activities, including Voting Disclosure

(J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme

Add link(s):

<https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html>

<https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html>

- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(7) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

### AUM coverage

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?**

**(A) Listed equity**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

**(11) 100%**

**(B) Fixed income**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

**(11) 100%**

**(C) Private equity**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

**(11) 100%**

**(D) Real estate**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

● (11) 100%

(E) Infrastructure

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

● (11) 100%

(F) Hedge funds

(H) Farmland

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

● (11) 100%

(I) Other

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

● (11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?**

**(A) Actively managed listed equity**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

**(11) 100%**

**(B) Passively managed listed equity**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

**(11) 100%**

**(C) Direct listed equity holdings in hedge fund portfolios**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

**(11) 100%**

# GOVERNANCE

## ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

**Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?**

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent

Specify:

Our management of sustainability and climate risk (SCR) is steered at the Group Executive Board (GEB) level. Our GEB Lead for Sustainability and Impact manages the Group Sustainability and Impact (GSI) organization and, together with our Chief Sustainability Officer (the CSO), co-chairs the Sustainability and Climate Task Force (the SCTF).

- (C) Investment committee, or equivalent

Specify:

SI Methodology Forum  
 SI Prioritization Forum  
 Stewardship Committee

- (D) Head of department, or equivalent

Specify department:

Head of Sustainable Investing and Impact at UBS AM

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

**Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?**

(1) Board members, trustees, or equivalent

(2) Senior executive-level staff, investment committee, head of department, or equivalent

(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

- (A) Yes
- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

**(A) Internal role(s)**

Specify:

- Board members and/or Trustees
- Chief-level staff
- Investment committees
- Head of department – AM Sustainable Investing
- Portfolio managers
- Investment analysts
- Dedicated responsible investment staff

- (B) External investment managers, service providers, or other external partners or suppliers
- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

(A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Describe: (Voluntary)

Environmental, social and governance (ESG) objectives are considered in the compensation determination process in objective setting, performance award pool funding, performance evaluation and compensation decisions. ESG-related objectives have been embedded in our Pillars and Principles since they were established in 2011. In 2021, we introduced explicit sustainability objectives in the non-financial goal category of the Group CEO and GEB scorecards. These sustainability objectives are linked to our priorities, and their progress is measured via robust quantitative metrics and qualitative criteria. Please refer to the UBS Group AG and UBS AG Annual Report 2022 for an overview of our metrics and progress achieved in 2022, including climate-related goals under the priority "Planet." Sustainability objectives are individually assessed for each GEB member, and consequently directly impact their performance assessments and compensation decisions. In addition, in the performance award pool funding across the Group, ESG is also reflected through an assessment of progress made against targets linked to our focus areas of Planet, People (including progress made against our diversity ambitions) and Partnerships, alongside other key dimensions. Therefore, ESG is taken into consideration when the Compensation Committee assesses not only what results were achieved but also how they were achieved. For 2022, we established robust and concrete targets, and made good progress toward achieving them. We continue to increase our focus on this topic.

(B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

(A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicate whether these responsible investment KPIs are linked to compensation

(1) KPIs are linked to compensation

(2) KPIs are not linked to compensation as these roles do not have variable compensation

(3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

ESG is incorporated in the performance award pool funding across UBS Group and assessed by the Compensation Committee. ESG is reflected through an assessment of progress made against targets linked to our focus areas of Planet, People (including progress made against our diversity ambitions) and Partnerships, alongside other key dimensions.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?**

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="checkbox"/>	<input type="checkbox"/>



## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
- (B) Yes, including all strategy-related recommended disclosures
- (C) Yes, including all risk management-related recommended disclosures
- (D) Yes, including all applicable metrics and targets-related recommended disclosures
- (E) None of the above
  - Add link(s):

[https://www.ubs.com/global/en/sustainability-impact/sustainability-reporting/\\_jcr\\_content/mainpar/toplevelgrid/col1/tabteaser/tabteasersplit\\_61486\\_822949245/innergrid\\_1976054452\\_651975952/xcol2/lnklistreimagined/link\\_copy.1701729941.file/PS9jb250ZW50L2RhbS9hc3NldHMvY2Mvc3VzdGFpbmFiaWxpdHktYW5kLWl0cGFjdC9kb2MvMjAyMi91YnMtY2xpbWF0ZS1hbmQtbmF0dXJlLXJlcG9ydC0yMDIyLWVuLnBkZg==/ubs-climate-and-nature-report-2022-en.pdf](https://www.ubs.com/global/en/sustainability-impact/sustainability-reporting/_jcr_content/mainpar/toplevelgrid/col1/tabteaser/tabteasersplit_61486_822949245/innergrid_1976054452_651975952/xcol2/lnklistreimagined/link_copy.1701729941.file/PS9jb250ZW50L2RhbS9hc3NldHMvY2Mvc3VzdGFpbmFiaWxpdHktYW5kLWl0cGFjdC9kb2MvMjAyMi91YnMtY2xpbWF0ZS1hbmQtbmF0dXJlLXJlcG9ydC0yMDIyLWVuLnBkZg==/ubs-climate-and-nature-report-2022-en.pdf)

[https://www.ubs.com/global/en/sustainability-impact/sustainability-reporting/\\_jcr\\_content/mainpar/toplevelgrid/col1/tabteaser/tabteasersplit\\_61486\\_822949245/innergrid\\_1085699863\\_1512300361/xcol2/lnklistreimagined/link\\_33507483\\_copy.0794620547.file/PS9jb250ZW50L2RhbS9hc3NldHMvYXNzZXQtbWFuYWdlbWVudC1yZWltYWdpbmVkl2dsb2JhbC9yZWd1bGF0b3J5LWluZm9ybWF0aW9uL2RvYy8yMDIzLTA2LTlyLXVrLWNsaW1hdGUtc3RhdGvtZW50LTlzLWZpbmFsLnBkZg==/2023-06-22-uk-climate-statement-23-final.pdf](https://www.ubs.com/global/en/sustainability-impact/sustainability-reporting/_jcr_content/mainpar/toplevelgrid/col1/tabteaser/tabteasersplit_61486_822949245/innergrid_1085699863_1512300361/xcol2/lnklistreimagined/link_33507483_copy.0794620547.file/PS9jb250ZW50L2RhbS9hc3NldHMvYXNzZXQtbWFuYWdlbWVudC1yZWltYWdpbmVkl2dsb2JhbC9yZWd1bGF0b3J5LWluZm9ybWF0aW9uL2RvYy8yMDIzLTA2LTlyLXVrLWNsaW1hdGUtc3RhdGvtZW50LTlzLWZpbmFsLnBkZg==/2023-06-22-uk-climate-statement-23-final.pdf)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?**

**(A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)**

Link to example of public disclosures

<https://www.ubs.com/global/en/legal/sfdr.html>

**(B) Disclosures against the European Union's Taxonomy**

Link to example of public disclosures

<https://www.ubs.com/global/en/legal/sfdr.html>

**(C) Disclosures against the CFA's ESG Disclosures Standard**

**(D) Disclosures against other international standards, frameworks or regulations**

Specify:

TCFD

Link to example of public disclosures

[https://www.ubs.com/global/en/sustainability-impact/sustainability-reporting/\\_jcr\\_content/mainpar/toplevelgrid/col1/tabteaser/tabteasersplit\\_61486\\_822949245/innergrid\\_1976054452\\_651975952/xcol2/lnklistreimagined/link\\_copy.1701729941.file/PS9jb250ZW50L2RhbS9hc3NldHMvY2Mvc3VzdGFpbmFiaWxpdHktYW5kLWl0cGFjdC9kb2MvMjAyMi91YnMtY2xpbWF0ZS1hbmQtbmF0dXJlLXJlcG9ydC0yMDIyLWVuLnBkZg==/ubs-climate-and-nature-report-2022-en.pdf](https://www.ubs.com/global/en/sustainability-impact/sustainability-reporting/_jcr_content/mainpar/toplevelgrid/col1/tabteaser/tabteasersplit_61486_822949245/innergrid_1976054452_651975952/xcol2/lnklistreimagined/link_copy.1701729941.file/PS9jb250ZW50L2RhbS9hc3NldHMvY2Mvc3VzdGFpbmFiaWxpdHktYW5kLWl0cGFjdC9kb2MvMjAyMi91YnMtY2xpbWF0ZS1hbmQtbmF0dXJlLXJlcG9ydC0yMDIyLWVuLnBkZg==/ubs-climate-and-nature-report-2022-en.pdf)

**(E) Disclosures against other international standards, frameworks or regulations**

Specify:

The UK Stewardship Code, Financial Reporting Council

Link to example of public disclosures

[https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing/\\_jcr\\_content/mainpar/toplevelgrid/col1/linklistreimagined\\_c/link\\_1539092170\\_copy.1660726036.file/PS9jb250ZW50L2RhbS9hc3NldHMvYXNzZXQtbWVudC1yZWltYWdpbmVkl2dsb2JhbC9jYXBhYmlsaXRpZXMvc3VzdGFpbmFiaWxpdHkvZG9jL3Vicy1hc3NldC1tYW5hZ2VtZW50LTlwMjltYW5udWFsLXN0ZXdhcmRzaGlwLXJlcG9ydC5wZGY=/ubs-asset-management-2022-annual-stewardship-report.pdf](https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing/_jcr_content/mainpar/toplevelgrid/col1/linklistreimagined_c/link_1539092170_copy.1660726036.file/PS9jb250ZW50L2RhbS9hc3NldHMvYXNzZXQtbWVudC1yZWltYWdpbmVkl2dsb2JhbC9jYXBhYmlsaXRpZXMvc3VzdGFpbmFiaWxpdHkvZG9jL3Vicy1hc3NldC1tYW5hZ2VtZW50LTlwMjltYW5udWFsLXN0ZXdhcmRzaGlwLXJlcG9ydC5wZGY=/ubs-asset-management-2022-annual-stewardship-report.pdf)

- (F) Disclosures against other international standards, frameworks or regulations
- (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?**

- (A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) **Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year**

## STRATEGY

### CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**Which elements do your organisation-level exclusions cover?**

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**How does your responsible investment approach influence your strategic asset allocation process?**

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

**STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?**

(1) Listed equity

(2) Fixed income

(3) Private equity

(4) Real estate

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(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

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(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

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**(5) Infrastructure****(6) Hedge funds****(8) Farmland**

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?**

A number of factors determine which companies in our invested universe are prioritized for research and engagement. These include:

- High financial exposure
- Presence of high ESG risks and opportunities
- History of votes against management
- Performance on topics selected for thematic programs
- Presence of significant controversies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.**

Where we believe the effectiveness of engagement and the chance of success can be increased, we are keen to work both formally and informally with collective bodies, or to collaborate with other shareholders. By speaking to companies with a unified voice, investors can communicate their views more effectively while allowing the companies to focus on a smaller and more coordinated number of requests from the financial community.

Collaboration with peers and our clients can bring clear benefits, such as building knowledge and skills, sharing resources and increasing attention from corporate management. However, there is a chance that negotiation and coordination costs might hamper the advantages of collaboration.

Therefore, at the outset, we always confirm that:

1. Working with other investors is permitted by law and/or regulation. This leads our decision.
- 2.

- A general alignment of views and agreement on issues of concern and potential solutions exists.
3. Dialogue will be undertaken privately.
  4. We have the resources to effectively contribute to the research of, and dialogue with, selected companies.

We assess the outcomes of the collective engagements we participate in by using the same criteria we apply to our individual engagements. These assessments focus on progress against agreed engagement objectives.

Collective engagements are not the only channel for us to work with other stakeholders. We are active members of industry working groups and advisory committees to advance standard setting on key ESG strategic issues. We assess the effectiveness of these initiatives through the quality of final deliverables and alignment with our internal positions.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Rank the channels that are most important for your organisation in achieving its stewardship objectives.**

**(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff**

Select from the list:

- 1
- 4
- 5

(B) External investment managers, third-party operators and/or external property managers, if applicable

(C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers

**(D) Informal or unstructured collaborations with investors or other entities**

Select from the list:

- 3
- 4
- 5

**(E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar**

Select from the list:

- 2
- 4
- 5

(F) We do not use any of these channels



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

### How are your organisation's stewardship activities linked to your investment decision making, and vice versa?

We believe that effective stewardship can contribute to corporate value creation and protection by encouraging companies to consider their governance structure and practices and material risks and opportunities they face, including sustainability related ones, such as climate change or human capital management.

Our dialogue with companies seeks to encourage them to change their governance, activities or behaviors, if we believe that this could contribute to their long-term success.

By doing so, active ownership of investee companies can enhance investments and contribute to real-world outcomes.

This is achieved in three principal ways: Obtaining insights, ensuring accountability and encouraging outcomes.

Insights: Engagement allows investors to identify and better understand investment relevant risks and opportunities that companies face. They can also use interactions to assess and build relationships with management and boards. These insights can be integrated into investment-decision making.

Accountability: Engagement provides investors with an opportunity to hold management and boards to account for their work and test all aspects of a company's performance, activities and behaviors.

This accountability to investors can contribute to more focus on material issues the company is facing.

Outcomes: Engagement allows investors to work constructively with and influence the company's key decision-makers. This can contribute to changes in the governance (broadly defined), activities or behaviors of companies helping them to address risks and opportunities, with the goal of protecting or enhancing long-term corporate value. It is this type of engagement that is most likely to contribute to investment relevant and real-world outcomes.

All three purposes and functions are important and recognized in various stewardship codes. We therefore regard engagement as a two-way dialogue with companies that contributes to the protection or creation of long-term value. During this dialogue we aim to:

- Gain context and insights relating to the fundamentals and material risks and opportunities the company faces, including sustainability;
- Hold management and boards to account for the company's performance, activities and behaviors; or
- Seek to contribute to changes which we believe are in the interest of the company, our investment or wider society.

We refer to these as investment relevant and real-world outcomes.

This type of dialogue also allows companies to explain how they manage risks and opportunities in the context of their business model, their financial performance and sustainability approach.

We only categorize interactions with companies as engagements if we communicate and document our expectations to companies.

This allows us to assess the progress of our engagement with the company over time.

When aiming to contribute to change and outcomes we believe it is important to be clear about the high-level objectives of our engagement.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**If relevant, provide any further details on your organisation's overall stewardship strategy.**

We take an active approach to stewardship across asset classes, through a clear and structured program, encompassing integration of sustainability related factors into investment decision making, engagement, proxy voting, advocacy with standard setters, and collaboration with market peers and our clients.

As a manager of actively managed, index and rules-based strategies, we believe there are synergies that managing different strategies bring to our stewardship approach. On the one hand active strategies benefit from the scale and breadth of exposure UBS-AM has to companies across our index strategies, enabling wider corporate access and a greater ability to influence management. On the other hand, the in-depth knowledge of expert financial analysts with sector expertise, and their relationships with corporate management, benefits index strategies through our combined stewardship program and/or insights to support customized index solutions.

For index and rules-based strategies, stewardship activities often represent one of the most significant ways in which institutional investors can express their views on and influence company performance.

We believe stewardship is one lever to address broader externalities across the economy that could cause instability and risks within the financial markets and global portfolios.

In the case of those index strategies that track sustainability indexes or apply a rules-based approach, stewardship activities can also have further impacts. Dialogue can sometimes incentivize companies to improve in order to be included in selected ESG indexes. It can also provide meaningful insights to enhance the methodologies applied in tilted approaches that consider ESG factors to inform position size and meet risk, return and sustainability objectives.

The components of stewardship at UBS-AM:

- Integration of sustainability related factors into investment decision making
- Engagement
- Exercising shareholder rights through effective proxy voting
- Contribution to industry initiatives and advocacy with standard setters
- Collaboration with peers and our clients
- Reporting.

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?**

- (A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes
- (B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear**
  - Select from the below list:
    - (1) in all cases**
      - (2) in a majority of cases
      - (3) in a minority of cases
    - (D) We do not review external service providers' voting recommendations
    - (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How is voting addressed in your securities lending programme?**

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- (C) Other**
  - Specify:
    - We will recall shares for controversial matters.
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

- (A) Yes, for all (proxy) votes

Add link(s):

<https://vds.issgovernance.com/vds/#/MjU0>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?**

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?**

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(1) for all votes	(2) for a majority of votes
(B) Yes, we privately communicated the rationale to the company		

(C) We did not publicly or privately communicate the rationale, or we did not track this information

○

○

(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year

○

○

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

<https://vds.issgovernance.com/vds/#/MjU0>

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

	(1) Listed equity	(2) Direct listed equity holdings in hedge fund portfolios
(A) Joining or broadening an existing collaborative engagement or creating a new one	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal	<input type="checkbox"/>	<input type="checkbox"/>
(C) Publicly engaging the entity, e.g. signing an open letter	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Divesting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Litigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings	<input type="radio"/>	<input type="radio"/>

**(H) Other - (1) Listed equity - Specify:**

Presenting a statement at the AGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

**For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) Not investing
- (D) Reducing exposure to the investee entity
- (E) Divesting
- (F) Litigation
- (G) Other
- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

**Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?**

- (A) Yes, we engaged with policy makers directly**
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?**

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations**
- (C) We provided technical input via government- or regulator-backed working groups**

Describe:

UBS AM provided input to the Swiss State Secretariat for International Finance (SIF) on how to mainstream impact investments and on the future Swiss Sustainable Finance framework, with a focus on climate reporting and metrics.

- (D) We engaged policy makers on our own initiative**

Describe:

As a large scale global asset manager, it is our ambition to support the development of regulatory standards related to climate change and sustainability globally, and we seek to achieve this through various channels, including interaction with policymakers. For example, by attending industry conference, such as the Eurofi Financial Forum, at which we engaged with policymakers on matters such as the EU Corporate Sustainability Reporting Directive (CSRD) and the UK Climate-related Disclosures Requirements for UK Asset Managers.

- (E) Other methods



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- (A) We publicly disclosed all our policy positions
- (B) We publicly disclosed details of our engagements with policy makers
- (C) **No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year**

Explain why:

We publicly disclose information on our engagement with trade associations, policy makers and standard setters, including a list of working groups and key initiatives in which we participated in the annual UBS AM Stewardship report. Given the wide range of often technical regulatory initiatives on which we work, we do not publicly disclose a description of the policy positions adopted.

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.

(A) Example 1:

Title of stewardship activity:

RWE

(1) Led by

- (1) **Internally led**
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) **Environmental factors**
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) **Listed equity**
- (2) **Fixed income**
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry

- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Issue

The company was originally identified as a high carbon intensity electric utility and included in our thematic climate engagement program, which has the objective of improving the rate of climate transition of companies. While the company has a climate transition plan, the pace at which this can be implemented has been dependent on agreements with government and other stakeholders on the closure of its extensive hard coal power generation plants and lignite power stations. In the last year we have engaged with the company regarding the implications of European energy security for the company's decarbonization plans.

Action

We have been the co-lead of the Climate Action 100+ coalition for the duration of our engagement with the company, which began in 2018, and have been in contact with company representatives including board members over the last four years.

The company has made a substantial commitment to investing in renewable energy and closure of coal-fired power stations. During 2022 we met with the company three times, including the board chair, CFO and Investor Relations, to provide feedback on the management of these plans and the need to maintain decarbonization efforts where possible while addressing the challenges of energy security.

Outcome and next steps

In previous years the company has announced closure of all its hard coal power generation by 2030, agreed a phaseout plan for its lignite power stations by 2038, and committed to carbon neutrality by 2040.

We have been encouraging the company to explore an acceleration of its lignite power station retirements with its other stakeholders where feasible. During 2022, and despite the energy security challenges in the German market, the company announced it had agreed to an acceleration of lignite plant closures to 2030. We now expect the company to upgrade the Science-based Targets Initiative (SBTi) verification of its climate targets in the coming year. We continue to engage with the company as it seeks to raise the ambition of its decarbonization targets.

Case study results

The company announced it had agreed to an acceleration of lignite plant closures

Next step

Continuing to engage with the company on its decarbonization target and its plan to upgrade its Science-based Targets Initiative (SBTi) verification.

(B) Example 2:

Title of stewardship activity:

New World Development

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry

- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

#### Issue

In July 2022, we initiated an engagement with New World Development, a leading property developer based in Hong Kong, included mainly in our fixed income and passive equity portfolios. Our ESG concerns about the company arose mainly from its governance profile, and particularly from the low percentage of independent directors on the board. At the time of the last AGM of the company prior to our engagement (November 2021), only two directors out of 15 were considered independent according to our criteria, and most directors had very long tenure, thus impacting board refreshment and potentially limiting the positive influence of new, diverse ideas and perspective on board debates.

#### Action

We reached out to the company to discuss our concerns, and engaged with the head of investor relations. A key objective of the meeting was to encourage the company to appoint new, external directors who could bring an independent perspective to the board.

We informed the company of our approach to director independence, and communicated that the long tenure of directors was a key factor that drove our decision to vote against two board members at the previous AGM.

We explained that, rather than adopting a box-ticking approach to board independence and tenure, we deeply value the exchange of views between experienced board members and new recruits, and we thought that the company could benefit from that interaction. During our meeting, we felt the company was very receptive to our feedback. The head of IR acknowledged our concerns and mentioned that the company was aware of the issue, and that concerns around board independence and diversity had been raised by other investors, and that board-related issues were considered a priority, including by the CEO. Overall, we concluded the meeting on a positive note, being substantially reassured that the company was willing to embrace our feedback, and confident the company would take steps to meet our engagement objectives.

#### Outcome and next steps

The company's actions addressed our feedback and went beyond our expectations. On 30 September 2022, the company announced a number of changes to the board, including the appointment of four new directors, three of which were independent, female candidates, drawn from a variety of professional and educational backgrounds. With these appointments, the company not only refreshed the board significantly, but also met our expectations on gender diversity (35% of directors are now female, vs. only 20% at the 2021 AGM), and made substantial progress towards meeting our requirements in terms of board independence for controlled companies (board independence now stands at 30%, vs. our expectation of 33%).

Such a result is even more compelling when considering that the company is de facto controlled, with one shareholder owning more than 45% of the share capital.

#### Case study results

The company appointed four new directors, three of which were fully independent, female candidates.

(C) Example 3:

Title of stewardship activity:

Phoenix Wind Repower

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Issue

Phoenix Wind Repower LLC owns and operates the 198-MW Trinity Hills, 132-MW Sherbino Mesa 2 and 53-MW Silver Star wind projects in Texas. The three wind farms, initially commissioned between 2008 and 2012 with Clipper turbines, were repowered by Vestas using top-level, proven technology. This increased the blade size by almost 15%, extended the lifespan of the asset and increased its efficiency. Once repowered, the portfolio had a total capacity of 383 MW.

The assets interconnect into ERCOT, Texas's main power market, which serves more than 25 million customers. Based on an Environmental Protection Agency (EPA) calculation, Phoenix Wind's expected annual output would displace up to 600,000 metric tons of emissions annually, or 130,000 passenger vehicles. This generates around 5 million Renewable Energy Certificates (RECs) annually.

We sought to explore the opportunity to classify Phoenix as a 'sustainable investment' under the EU taxonomy.

Action

We completed an initial review which involved a post-acquisition ESG deep dive assessment as well as a review of whether Phoenix Wind already met the criteria for a 'sustainable investment' under the EU Taxonomy. This review concluded that while the asset had potential to be classified as a 'sustainable investment', there were some areas that required addressing in order to fully meet the criteria.

We developed an EU Taxonomy alignment action plan.

This involved ensuring that Phoenix met the criteria for substantially contributing to climate change mitigation, which was met by the sector type. Phoenix also had to demonstrate it met the 'do no significant harm' technical screening criteria. For climate change adaptation, this involved completing a physical climate risk assessment and ensuring that any risks showing as high had adequate controls in place.

For circular economy, Phoenix had to assess the availability of and, where feasible, use equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.

Phoenix underwent a repowering activity in 2020, which involved dismantling the blades and replacing them with larger blades, to help generate more power over time. The decommissioned units were recycled as much as was feasible at the time. Electrical wire, copper, and any other valuable components were stripped by electrical contractors and sent for recycling. Any oil was drained and sent for recycling or energy recovery. Fiberglass was recycled as well. Decommissioning certificates are available for each site, e.g., Silver Star for the fiberglass recycling of the blades and nacelle shells, and a Life Cycle Assessment was completed by Vestas for the V 110 turbines.

The expected lifespan of the repowered turbines is around 20 years.

For protection and restoration of biodiversity and ecosystems, Phoenix conducted the Phase I Environmental Site Assessment (ESAs), Spill Prevention, Control, and Countermeasure which covers oil spill risks and protected species (birds and bats) in accordance with the relevant legislation. No major risks were identified. No sites are located in areas defined as biodiversity-sensitive.

For sustainable use and protection of water and marine resources and pollution prevention and control there were no adverse impacts expected.

We also had to ensure there were minimum social safeguards in place and that good governance was being applied in the broadest sense, and worked with the Phoenix team to consider how this could be implemented.

#### Outcome and next steps

We have developed a strategy for Phoenix Wind that means it can be classified as a 'sustainable investment' under the EU Taxonomy and meets advanced technical criteria for its approach to sustainability, with a substantial contribution to climate change mitigation.

#### (D) Example 4:

##### Title of stewardship activity:

Inner Mongolia Yili Industrial Group Co.

##### (1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

##### (2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

##### (3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

##### (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

###### Issue

Yili is a Chinese dairy producer and was assessed by the Corporate Human Rights Benchmark (CHRB) in 2020 and 2022. In both years, the company received a low score, while scoring 0 on all the Human Rights Due Diligence underlying indicators. The Investor Alliance for Human Rights (IAHR) tried to initiate an engagement with Yili without success.

###### Action

We volunteered to take the lead in the IAHR collaborative engagement with Yili right after we joined the IAHR, as we already had a strong existing relationship with the company (through our APAC team), and we were able to set up a meeting and initiate the engagement specifically focused on human rights and the CHRB score.

During our meeting with the investor relations and ESG experts at Yili, the company told us that they are committed to the UN Global Compact Principles, however, due to internal limitations on disclosure, they had not been able to publicly provide granular information on their policies and practices relating to human rights.

They appeared receptive to our explanations as to why we, as investors, would like to see disclosure on policies and practices on human rights, and seemed committed to working on enhancements. They requested detailed information on our expectations, which we shared with them, including: 1) human rights policy, 2) board oversight and senior day-to-day responsibility for human rights, and 3) human rights due diligence.

We shared details on recommendations, according to the United Nations Guiding Principles on Business and Human Rights.

#### Outcome and next steps

The company was receptive to our recommendations and confirmed that they would discuss these internally, with the view to enhance policies, practices and disclosure. We will reconvene with the company and the collaborative investor group in the second half of 2023, to discuss progress.

#### Case study results

The company was receptive to our recommendations and said they would have internal discussion aimed at enhancing policies, practices and disclosure

#### Next step

We will reconvene with the company and the collaborative investor group in the second half of 2023.

#### (E) Example 5:

Title of stewardship activity:

America Movil

#### (1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

#### (2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

#### (3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

#### (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

##### Issue

AMX is a telecommunication company based in Mexico providing wireless and wireline telecom services.

The company has a low UBS ESG Consensus Score, explained by exposure to high ESG risks by operating in Latin America and a low structural governance score.

AMX is run by the Slim family, which controls and manages the company.

The dual-share class structure means the Slims have a 90% voting power with a 60% equity stake. We identified the company for engagement considering the potential benefits of simplifying the capital structure.

**Action**

In June 2022, we met with the CFO and Investor Relations of the company to discuss removing the dual share-class structure and the replacement of entrenched board members.

We also discussed their labour practices and business ethics policies.

**Outcomes**

In November 2022, the company filed a proposal with the regulator to convert extra voting shares into a single class of shares. This was later approved by shareholders.

We welcome the change in capital structure, which is a significant step in adopting best practices.

Whilst the company is focused on improving its ESG profile, we continue to encourage the company to: continue to provide digital solutions to low income customers and improve access to communication in the region with specific impact goals; improve impact measurement and set specific target setting impact goals; adopt public targets related to gender diversity in management positions.

**Result of Engagement**

The company filed a proposal to convert extra voting shares into the single class of shares, removing the dual share-class structure.

**Next Step**

Discuss their progress in implementing new anti-bribery and corruption, ethics, and human rights programs in their supply chain.

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

**Has your organisation identified climate-related risks and opportunities affecting your investments?**

**(A) Yes, within our standard planning horizon**

Specify the risks and opportunities identified and your relevant standard planning horizon:

Within UBS AM overall strategy for managing climate risks is to integrate risk data and insights into our investment management processes. In our public markets investments, this begins with assessing ESG issues based on our ESG Material Issues framework, which identifies the most relevant issues per sector making the connection to key value drivers that may impact the investment thesis across sectors. We have updated our ESG Material Issues framework with a sector-based view of exposures to physical and transition climate risks. This includes the effect of climate change on the revenues, operating costs and capital allocation and commitments of our investments.

To further facilitate the integration of sustainability factors (including climate risks) into investment decisions, UBS AM has a proprietary ESG Dashboard using data sets from a variety of external ESG data providers, which generates a risk signal across several risk dimensions. This is available to investment teams via a dashboard giving a structured, holistic view of ESG risks. During 2022 we onboarded additional climate physical and transition risk datasets. We have enhanced our proprietary ESG Dashboard with this climate physical and transition risk data, and with alerts to highlight the highest risk issuers.

Asset Management's Real Estate and Private Markets (REPM) business also incorporates physical and transition risks into its investment and ongoing management processes.

As part of the second line of defense controls performed by Group Risk Control, we integrate climate risk in the risk control and monitoring process of UBS AM portfolios.

We have developed a risk control dashboard to identify, assess and monitor climate risks. Among other sustainability risk metrics such as ESG scores and risk ratings, the dashboard allows us to monitor the weighted average carbon intensity of portfolios against their respective benchmarks. Through this dashboard, Risk Control provides internal reporting of sustainability risk exposures for further assessment and escalation.

**(B) Yes, beyond our standard planning horizon**

Specify the risks and opportunities identified and your relevant standard planning horizon:

By 2050, we are aiming to achieve net-zero greenhouse gas (GHG) emissions for scopes 1, 2 and 3 across our business, in line with fiduciary duties. Our climate roadmap sets out how we aim to get there. As part of our Net Zero Commitment we have set an interim 2030 target for the proportion of assets managed in ways aligned with net zero.

By working towards our net zero goals, we identify climate-related risks and opportunities beyond our standard planning horizon and look at longer term scenarios including on 2025, 2030 and 2035 time horizons.

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

**(A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities**

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

The shift toward a lower-carbon future is a priority for UBS and it is a key focus of our sustainability strategy.

We have set aspirational goals to achieve net-zero greenhouse gas (GHG) emissions from our own business and we are directing capital toward the low-carbon transition by offering the choice our clients need to effect the change that they want to see. At the same time, we are focused on managing the risks related to climate, natural capital and biodiversity to protect our clients' assets and those of our firm from the impact of climate change. We are also seizing the opportunities from the low-carbon transition.

By 2050, we are aiming to achieve net-zero greenhouse gas (GHG) emissions for scopes 1, 2 and 3 across our business, in line with fiduciary duties.



Our climate roadmap sets out how we aim to get there. It comprises three key aspects:

- net zero to reduce our direct climate impact;
- net zero to support the transition of our financing clients; and
- net zero to support the transition of the assets of our investing clients.

As part of the Group, UBS AM is actively executing on the climate strategy by managing climate related financial risks and taking action on a net-zero future.

In November 2021, our Asset management division communicated our net-zero interim target, committing to manage 20% of our total AUM by 2030 in alignment with the goal of achieving net zero by 2050.

Our overall strategy for managing climate risks is to integrate risk data and insights into our investment management processes. We view active ownership as an important tool to manage climate risk of issuers.

Asset Management has run a dedicated climate engagement program since early 2018 focused on high emitting sectors to drive stronger integration of climate risk management into business strategies. Asset Management's Real Estate and Private Markets (REPM) business also incorporates physical and transition risks into its investment and ongoing management processes.

We help our clients assess, manage and protect their assets from climate related risks by offering innovative products and services in investment, financing and research.

In 2022, we continued to provide customized, tailored, and structured investment solutions for private and institutional investors. We launched several dedicated investment strategies supporting the allocation of capital to thematic areas such as decarbonization or energy storage. Examples include (1) We joined forces with Aon in March 2022 to co-develop and launch the UBS Global Equity Climate Transition Fund. This collaboration brings together our award-winning proprietary Climate Aware Framework and our global stewardship program to help companies such as Aon transition towards a lower-carbon future while also meeting their broader sustainability preferences (2) we completed a strategic expansion of our infrastructure business, providing clients with further sustainable investing opportunities in the alternatives space (3) We collaborated with Essex Pension Fund and Hymans Robertson to launch an investment fund specifically tailored to meet Essex Pension Fund's objectives to invest in companies leading the transition to a low-carbon economy.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

### Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

(A) Coal

Describe your strategy:

We see our active ownership strategy on climate transition as a powerful tool to influence corporate behavior to achieve real-economy outcomes in high emitting sectors. UBS AM engage with companies on climate change through a dedicated program for the fifth year running. During this time, we have raised our expectations for companies significantly, including sector-specific expectations that aim to guide engagements and enhance our objective setting and tracking approach.

We are expanding the scope of the program to 75 companies across the energy, utilities, chemicals, and materials sectors, representing a 50% increase in our focus list, in addition to climate remaining a core topic in the majority of engagements we have with companies.

We also address capital allocation through our SI exclusion policy which includes an exclusion of thermal coal activities which focuses on the utilities and mining sectors.

(B) Gas

Describe your strategy:

We see our active ownership strategy on climate transition as a powerful tool to influence corporate behavior to achieve real-economy outcomes in high emitting sectors. UBS AM engage with companies on climate change through a dedicated program for the fifth year running. During this time, we have raised our expectations for companies significantly, including sector-specific expectations that aim to guide engagements and enhance our objective setting and tracking approach.

We are expanding the scope of the program to 75 companies across the energy, utilities, chemicals, and materials sectors, representing a 50% increase in our focus list, in addition to climate remaining a core topic in the majority of engagements we have with companies.

We also address capital allocation through our SI exclusion policy which includes an exclusion of thermal coal activities which focuses on the utilities and mining sectors.

**(C) Oil**

Describe your strategy:

We see our active ownership strategy on climate transition as a powerful tool to influence corporate behavior to achieve real-economy outcomes in high emitting sectors. UBS AM engage with companies on climate change through a dedicated program for the fifth year running. During this time, we have raised our expectations for companies significantly, including sector-specific expectations that aim to guide engagements and enhance our objective setting and tracking approach.

We are expanding the scope of the program to 75 companies across the energy, utilities, chemicals, and materials sectors, representing a 50% increase in our focus list, in addition to climate remaining a core topic in the majority of engagements we have with companies.

We also address capital allocation through our SI exclusion policy which includes an exclusion of thermal coal activities which focuses on the utilities and mining sectors.

**(D) Utilities**

Describe your strategy:

We see our active ownership strategy on climate transition as a powerful tool to influence corporate behavior to achieve real-economy outcomes in high emitting sectors. UBS AM engage with companies on climate change through a dedicated program for the fifth year running. During this time, we have raised our expectations for companies significantly, including sector-specific expectations that aim to guide engagements and enhance our objective setting and tracking approach.

We are expanding the scope of the program to 75 companies across the energy, utilities, chemicals, and materials sectors, representing a 50% increase in our focus list, in addition to climate remaining a core topic in the majority of engagements we have with companies.

We also address capital allocation through our SI exclusion policy which includes an exclusion of thermal coal activities which focuses on the utilities and mining sectors.

**(E) Cement**

Describe your strategy:

We see our active ownership strategy on climate transition as a powerful tool to influence corporate behavior to achieve real-economy outcomes in high emitting sectors. UBS AM engage with companies on climate change through a dedicated program for the fifth year running. During this time, we have raised our expectations for companies significantly, including sector-specific expectations that aim to guide engagements and enhance our objective setting and tracking approach.

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We also address capital allocation through our SI exclusion policy which includes an exclusion of thermal coal activities which focuses on the utilities and mining sectors.

**(F) Steel**

Describe your strategy:

We see our active ownership strategy on climate transition as a powerful tool to influence corporate behavior to achieve real-economy outcomes in high emitting sectors. UBS AM engage with companies on climate change through a dedicated program for the fifth year running. During this time, we have raised our expectations for companies significantly, including sector-specific expectations that aim to guide engagements and enhance our objective setting and tracking approach.

We are expanding the scope of the program to 75 companies across the energy, utilities, chemicals, and materials sectors, representing a 50% increase in our focus list, in addition to climate remaining a core topic in the majority of engagements we have with companies.

We also address capital allocation through our SI exclusion policy which includes an exclusion of thermal coal activities which focuses on the utilities and mining sectors.

- (G) Aviation
- (H) Heavy duty road
- (I) Light duty road
- (J) Shipping

**(K) Aluminium**

Describe your strategy

We see our active ownership strategy on climate transition as a powerful tool to influence corporate behavior to achieve real-economy outcomes in high emitting sectors. UBS AM engage with companies on climate change through a dedicated program for the fifth year running. During this time, we have raised our expectations for companies significantly, including sector-specific expectations that aim to guide engagements and enhance our objective setting and tracking approach.

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We also address capital allocation through our SI exclusion policy which includes an exclusion of thermal coal activities which focuses on the utilities and mining sectors.

- (L) Agriculture, forestry, fishery

**(M) Chemicals**

Describe your strategy:

We see our active ownership strategy on climate transition as a powerful tool to influence corporate behavior to achieve real-economy outcomes in high emitting sectors. UBS AM engage with companies on climate change through a dedicated program for the fifth year running. During this time, we have raised our expectations for companies significantly, including sector-specific expectations that aim to guide engagements and enhance our objective setting and tracking approach.

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We also address capital allocation through our SI exclusion policy which includes an exclusion of thermal coal activities which focuses on the utilities and mining sectors.

- (N) Construction and buildings
- (O) Textile and leather
- (P) Water

**(Q) Other**

Specify:

Diversified Mining

Describe your strategy:

We see our active ownership strategy on climate transition as a powerful tool to influence corporate behavior to achieve real-economy outcomes in high emitting sectors. UBS AM engage with companies on climate change through a dedicated program for the fifth year running. During this time, we have raised our expectations for companies significantly, including sector-specific expectations that aim to guide engagements and enhance our objective setting and tracking approach.

We are expanding the scope of the program to 75 companies across the energy, utilities, chemicals, and materials sectors, representing a 50% increase in our focus list, in addition to climate remaining a core topic in the majority of engagements we have with companies.

We also address capital allocation through our SI exclusion policy which includes an exclusion of thermal coal activities which focuses on the utilities and mining sectors.

- (R) We do not have a strategy addressing high-emitting sectors

**Provide a link(s) to your strategy(ies), if available**

[https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing/\\_jcr\\_content/mainpar/toplevelgrid/col1/linklistreimagined\\_c/link\\_1539092170\\_copy.1660726036.file/PS9jb250ZW50L2RhbS9hc3NldHMvYXNzZXQtbWFuYWdlbWVudC1yZWltYWdpbmVkl2dsb2JhbC9jYXBhYmlsaXRpZXMvc3VzdGFpbmFiaWxpdHkvZG9jL3Vicy1hc3NldC1tYW5hZ2VtZW50LTlwMjltYW5udWFsLXN0ZXdhcmRzaGlwLXJlcG9ydC5wZGY=/ubs-asset-management-2022-annual-stewardship-report.pdf](https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing/_jcr_content/mainpar/toplevelgrid/col1/linklistreimagined_c/link_1539092170_copy.1660726036.file/PS9jb250ZW50L2RhbS9hc3NldHMvYXNzZXQtbWFuYWdlbWVudC1yZWltYWdpbmVkl2dsb2JhbC9jYXBhYmlsaXRpZXMvc3VzdGFpbmFiaWxpdHkvZG9jL3Vicy1hc3NldC1tYW5hZ2VtZW50LTlwMjltYW5udWFsLXN0ZXdhcmRzaGlwLXJlcG9ydC5wZGY=/ubs-asset-management-2022-annual-stewardship-report.pdf)

[https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing/\\_jcr\\_content/mainpar/toplevelgrid/col1/linklistreimagined/link\\_990402512\\_copy\\_.1631652518.file/PS9jb250ZW50L2RhbS9hc3NldHMvYXNzZXQtbWFuYWdlbWVudC1yZWltYWdpbmVkl2dsb2JhbC9jYXBhYmlsaXRpZXMvc3VzdGFpbmFiaWxpdHkvZG9jL2FtLWV4Y2x1c2lvbi1wb2xpY3kucGRm/am-exclusion-policy.pdf](https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing/_jcr_content/mainpar/toplevelgrid/col1/linklistreimagined/link_990402512_copy_.1631652518.file/PS9jb250ZW50L2RhbS9hc3NldHMvYXNzZXQtbWFuYWdlbWVudC1yZWltYWdpbmVkl2dsb2JhbC9jYXBhYmlsaXRpZXMvc3VzdGFpbmFiaWxpdHkvZG9jL2FtLWV4Y2x1c2lvbi1wb2xpY3kucGRm/am-exclusion-policy.pdf)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario

**(D) Yes, using other scenarios**

Specify:

CRREM Pathway is utilized for specific Real Estate investments.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

## Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

### (A) Yes, we have a process to identify and assess climate-related risks

#### (1) Describe your process

Our overall strategy for managing climate risks is to integrate risk data and insights into our investment management processes. In our public markets investments, this begins with assessing ESG issues based on our ESG Material Issues framework, which identifies the most relevant issues per sector making the connection to key value drivers that may impact the investment thesis across sectors. We have updated our ESG Material Issues framework with a sector-based view of exposures to physical and transition climate risks.

To further facilitate the integration of sustainability factors (including climate risks) into investment decisions, Asset Management has a proprietary ESG Dashboard using data sets from a variety of external ESG data providers, which generates a risk signal across several risk dimensions.

This is available to investment teams via a dashboard giving a structured, holistic view of ESG risks. During 2022 we onboarded additional climate physical and transition risk datasets. We have enhanced our proprietary ESG Dashboard with this climate physical and transition risk data, and with alerts to highlight the highest risk issuers.

We view active ownership as an important tool to manage climate risk of issuers.

Asset Management has run a dedicated climate engagement program since early 2018 focused on high emitting sectors to drive stronger integration of climate risk management into business strategies.

Asset Management's Real Estate and Private Markets (REPM) business also incorporates physical and transition risks into its investment and ongoing management processes. We consider key transition risks using our proprietary inhouse ESG Dashboard which assesses over 1,500 of our directly controlled real estate assets' environmental performance against pathways and targets. We are in the process of refreshing our energy/emission/water/waste reduction targets with help from our sustainability consultants across the world which would apply at portfolio level, supported by individual asset-level action plans towards those targets. Our primary emission reduction strategies focus on implementing improvement measures to minimize energy demand, improve energy efficiency, installing renewables on site where feasible and procuring green energy from third parties where on-site renewables are not sufficient. We may in the future also employ secondary carbon reduction strategies, including the purchase of energy credits to offset any residual emissions as we approach our net-zero targets.

On the physical risk side, for our direct investments in real estate, we use a third-party location risk intelligence tool to analyze asset-level physical risk. We use another third-party data provider to inform our assessment of physical risk in our indirect real estate investments. Based on each investment's specific location, these tools allow REPM to identify each asset's potential physical risks under a variety of climate change scenarios and timelines. Currently, we are performing physical risk screening prior to the acquisition of any asset, and annually for assets where we are currently invested.

Our intent is to use information from our dashboard and third-party providers to develop physical climate risk mitigation plans, where needed, for existing real assets and new acquisitions. In our indirect real estate activities, we will similarly use third-party data to identify key engagement focus areas in our underlying fund holdings. In our other indirect businesses (indirect infrastructure and private equity), we engage with underlying managers on physical risk, amongst other topics.

#### (2) Describe how this process is integrated into your overall risk management

The firm's Sustainability and Climate Risk (SCR) unit (part of Group Risk Control), manages material exposure to sustainability and climate risks. It also advances our firmwide SCR initiative to build in-house capacity for the management of sustainability and climate-related risks. Our SCR initiative follows a multi-year roadmap. It is designed to integrate sustainability and climate risk considerations into our firm's various traditional financial and non-financial risk management frameworks, and related policies and processes.

We currently identify and manage sustainability and climate risks in our operations, balance sheet, clients' assets, and our supply chain.

In 2022, we continued to methodologically integrate sustainability and climate-related risk considerations into the firmwide risk management framework to protect both our clients' and our own assets from climate-related risks. This work comprised: (i) risk identification and measurement; (ii) monitoring and risk appetite setting; (iii) risk management and control; and (iv) risk reporting processes. We are implementing the sustainability and climate risk management framework in line with the multi-year roadmap to integrate sustainability and climate risk into our financial and non-financial risk frameworks and related processes. The development of new and enhanced tools and methodologies in 2022 supports our firm, front-to back, in these integration efforts.

As part of the second line of defence controls performed by Group Risk Control, we integrate climate risk in the risk control and monitoring process of Asset Management portfolios.

We have developed a risk control dashboard to identify, assess and monitor climate risks. Among other sustainability risk metrics such as ESG scores and risk ratings, the dashboard allows us to monitor the weighted average carbon intensity of portfolios against their respective benchmarks. Through this dashboard, Risk Control provides internal reporting of sustainability risk exposures for further assessment and escalation.

**(B) Yes, we have a process to manage climate-related risks**

**(1) Describe your process**

UBS AM helps our clients assess, manage and protect their assets from climate related risks by offering innovative products and services in investment, financing and research.

UBS works collaboratively across our industry and with our clients, ensuring they have access to best practice, robust science-based approaches, standardized methodologies and quality data for measuring and mitigating climate risks. As an example, UBS AM division engaged with companies on climate change through a dedicated program for the fourth year running. During this time, UBS AM have raised our expectations for companies significantly, including enhanced disclosure of climate risks, and a greater focus on decarbonization ambitions and actions companies are taking towards a net-zero future. We continue to use collaborative engagement as a lever to scale our impact, in addition to our direct engagement, through our membership of Climate Action 100+.

At UBS AM, we have carried out and continue to conduct in-depth research and analysis on efficient implementation of ESG factors in rules-based strategies, with specific focus on climate change-related factors.

In early 2017, following our extensive quantitative and sustainability research, we launched a Climate Aware rules-based fund in the UK that utilises our proprietary quantitative model incorporating a range of qualitative and quantitative climate-related metrics. The Climate Aware rules-based strategy applies positive and negative 'tilts' related to climate change aspects, while aiming to deliver returns broadly in line with the underlying market cap weighted global equity index.

Building on the success of our Climate Aware strategy, we have continued to work with clients and prospects on aligning index equity portfolios with net-zero emission frameworks.

**(2) Describe how this process is integrated into your overall risk management**

The firm's Sustainability and Climate Risk (SCR) unit (part of Group Risk Control), manages material exposure to sustainability and climate risks. It also advances our firmwide SCR initiative to build in-house capacity for the management of sustainability and climate-related risks. Our SCR initiative follows a multi-year roadmap. It is designed to integrate sustainability and climate risk considerations into our firm's various traditional financial and non-financial risk management frameworks, and related policies and processes.

We currently identify and manage sustainability and climate risks in our operations, balance sheet, clients' assets, and our supply chain.

In 2022, we continued to methodologically integrate sustainability and climate-related risk considerations into the firmwide risk management framework to protect both our clients' and our own assets from climate-related risks. This work comprised: (i) risk identification and measurement; (ii) monitoring and risk appetite setting; (iii) risk management and control; and (iv) risk reporting processes. We are implementing the sustainability and climate risk management framework in line with the multi-year roadmap to integrate sustainability and climate risk into our financial and non-financial risk frameworks and related processes. The development of new and enhanced tools and methodologies in 2022 supports our firm, front-to back, in these integration efforts.

As part of the second line of defence controls performed by Group Risk Control, we integrate climate risk in the risk control and monitoring process of Asset Management portfolios.

We have developed a risk control dashboard to identify, assess and monitor climate risks. Among other sustainability risk metrics such as ESG scores and risk ratings, the dashboard allows us to monitor the weighted average carbon intensity of portfolios against their respective benchmarks. Through this dashboard, Risk Control provides internal reporting of sustainability risk exposures for further assessment and escalation.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?**

- (A) Exposure to physical risk**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used**
    - (2) Metric or variable used and disclosed
    - (3) Metric or variable used and disclosed, including methodology
- (B) Exposure to transition risk**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used**
    - (2) Metric or variable used and disclosed
    - (3) Metric or variable used and disclosed, including methodology
- (C) Internal carbon price
- (D) Total carbon emissions**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used**
    - (2) Metric or variable used and disclosed
    - (3) Metric or variable used and disclosed, including methodology
- (E) Weighted average carbon intensity**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed
    - (3) Metric or variable used and disclosed, including methodology**
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://www.ubs.com/global/en/sustainability-impact/sustainability-reporting/\\_jcr\\_content/mainpar/toplevelgrid/col1/tabteaser/tabteasersplit\\_61486\\_822949245/innergrid\\_1976054452\\_651975952/xco11/linklistreimagined/link.1883947868.file/PS9jb250ZW50L2RhbS9hc3NldHMvY2Mvc3VzdGFpbnFiaWxpdHktYW5kLWltcGFjdC9kb2MvMjAyMi91YnMtc3VzdGFpbnFiaWxpdHktcmVwb3J0LTlwMjJucGRm/ubs-sustainability-report-2022.pdf](https://www.ubs.com/global/en/sustainability-impact/sustainability-reporting/_jcr_content/mainpar/toplevelgrid/col1/tabteaser/tabteasersplit_61486_822949245/innergrid_1976054452_651975952/xco11/linklistreimagined/link.1883947868.file/PS9jb250ZW50L2RhbS9hc3NldHMvY2Mvc3VzdGFpbnFiaWxpdHktYW5kLWltcGFjdC9kb2MvMjAyMi91YnMtc3VzdGFpbnFiaWxpdHktcmVwb3J0LTlwMjJucGRm/ubs-sustainability-report-2022.pdf)

- (F) Avoided emissions
- (G) Implied Temperature Rise (ITR)
- (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- (I) Proportion of assets or other business activities aligned with climate-related opportunities**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used**
      - (2) Metric or variable used and disclosed
      - (3) Metric or variable used and disclosed, including methodology
  - (J) Other metrics or variables
    - (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

- (A) Scope 1 emissions**
  - (1) Indicate whether this metric was disclosed, including the methodology
    - (1) Metric disclosed
    - (2) Metric and methodology disclosed**
  - (2) Provide links to the disclosed metric and methodology, as applicable

[https://www.ubs.com/global/en/sustainability-impact/sustainability-reporting/\\_jcr\\_content/mainpar/toplevelgrid/col1/tabteaser/tabteasersplit\\_61486\\_822949245/innergrid\\_1976054452\\_651975952/xco11/linklistreimagined/link.1883947868.file/PS9jb250ZW50L2RhbS9hc3NldHMvY2Mvc3VzdGFpbnFiaWxpdHktYW5kLWltcGFjdC9kb2MvMjAyMi91YnMtc3VzdGFpbnFiaWxpdHktcmVwb3J0LTlwMjJucGRm/ubs-sustainability-report-2022.pdf](https://www.ubs.com/global/en/sustainability-impact/sustainability-reporting/_jcr_content/mainpar/toplevelgrid/col1/tabteaser/tabteasersplit_61486_822949245/innergrid_1976054452_651975952/xco11/linklistreimagined/link.1883947868.file/PS9jb250ZW50L2RhbS9hc3NldHMvY2Mvc3VzdGFpbnFiaWxpdHktYW5kLWltcGFjdC9kb2MvMjAyMi91YnMtc3VzdGFpbnFiaWxpdHktcmVwb3J0LTlwMjJucGRm/ubs-sustainability-report-2022.pdf)

- (B) Scope 2 emissions**
  - (1) Indicate whether this metric was disclosed, including the methodology
    - (1) Metric disclosed
    - (2) Metric and methodology disclosed**
  - (2) Provide links to the disclosed metric and methodology, as applicable

[https://www.ubs.com/global/en/sustainability-impact/sustainability-reporting/\\_jcr\\_content/mainpar/toplevelgrid/col1/tabteaser/tabteasersplit\\_61486\\_822949245/innergrid\\_1976054452\\_651975952/xco11/linklistreimagined/link.1883947868.file/PS9jb250ZW50L2RhbS9hc3NldHMvY2Mvc3VzdGFpbnFiaWxpdHktYW5kLWltcGFjdC9kb2MvMjAyMi91YnMtc3VzdGFpbnFiaWxpdHktcmVwb3J0LTlwMjJucGRm/ubs-sustainability-report-2022.pdf](https://www.ubs.com/global/en/sustainability-impact/sustainability-reporting/_jcr_content/mainpar/toplevelgrid/col1/tabteaser/tabteasersplit_61486_822949245/innergrid_1976054452_651975952/xco11/linklistreimagined/link.1883947868.file/PS9jb250ZW50L2RhbS9hc3NldHMvY2Mvc3VzdGFpbnFiaWxpdHktYW5kLWltcGFjdC9kb2MvMjAyMi91YnMtc3VzdGFpbnFiaWxpdHktcmVwb3J0LTlwMjJucGRm/ubs-sustainability-report-2022.pdf)

- (C) Scope 3 emissions (including financed emissions)
  - (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year



## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The UNFCCC Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)
- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)
- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irreparable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

**During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?**

**(A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes**

Explain how these activities were conducted:

We look at human rights as part of quantitative and qualitative research processes to ensure that we identify and manage any negative outcomes.

Quantitative: We embed ESG data, including human rights indicators, in our ESG Risk Dashboard.

Qualitative: We have created materiality frameworks for all sectors; sectors in which human rights are seen as one of the most material ESG risks or opportunities have that information included in the framework. These frameworks include information on how to evaluate the risks and opportunities and how these may tie to investment analysis. These frameworks facilitate the qualitative research process.

We pay close attention to companies that are involved in serious breaches of international standards, with a focus on companies that potentially violate any of the 10 principles of the UN Global Compact, as well as companies flagged in the UBS sustainability and climate (SCR) risk watchlist. We believe that these companies represent an investment risk. A controversy flag triggers a systematic review and potential escalation process.

**(B) We assessed whether individuals at risk or already affected might be at heightened risk of harm**

Explain how these activities were conducted:

We engage on human rights risks and opportunities with companies 1) as part of the ESG integration process; 2) as part of our social thematic engagement & collaboration program (we are a member of the Investor Alliance for Human Rights and engage with 8 companies, which have scored 0 on the CHR) 3) as part of our controversy engagement process.

(C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts

**(D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities**

Specify:

We engage on human rights risks and opportunities with index providers and industry initiatives and benchmark providers.

Explain how these activities were conducted:

(E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?

(A) Workers

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

(B) Communities

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

(C) Customers and end-users

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

(D) Other stakeholder groups

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?**

- (A) Corporate disclosures**  
Provide further detail on how your organisation used these information sources:
- (B) Media reports**  
Provide further detail on how your organisation used these information sources:
- (C) Reports and other information from NGOs and human rights institutions**  
Provide further detail on how your organisation used these information sources:
- (D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank**  
Provide further detail on how your organisation used these information sources:
- (E) Data provider scores or benchmarks**  
Provide further detail on how your organisation used these information sources:
- (F) Human rights violation alerts**  
Provide further detail on how your organisation used these information sources:
- (G) Sell-side research**  
Provide further detail on how your organisation used these information sources:
- (H) Investor networks or other investors**  
Provide further detail on how your organisation used these information sources:
- (I) Information provided directly by affected stakeholders or their representatives
- (J) Social media analysis
- (K) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?**

- (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities
- (B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities**  
Describe:

Through our engagement we encourage investee companies to remediate negative human rights outcomes. We provided tools and best practices to investees to ensure appropriate remediation.

- (C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

# MANAGER SELECTION, APPOINTMENT AND MONITORING (SAM)

## OVERALL APPROACH

### EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 1	CORE	OO 21	N/A	PUBLIC	External investment managers	4

For the majority of your externally managed AUM in each asset class, which responsible investment aspects does your organisation consider important in the assessment of external investment managers?

#### (6) Real estate

##### Organisation

(A) Commitment to and experience in responsible investment



(B) Responsible investment policy(ies)



(C) Governance structure and senior-level oversight and accountability



##### People and Culture

(D) Adequate resourcing and incentives



(E) Staff competencies and experience in responsible investment



##### Investment Process

(F) Incorporation of material ESG factors in the investment process

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(G) Incorporation of risks connected to systematic sustainability issues in the investment process

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(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment

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**Stewardship**

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(I) Policy(ies) or guidelines on stewardship

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(J) Policy(ies) or guidelines on (proxy) voting

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(K) Use of stewardship tools and activities

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(L) Incorporation of risks connected to systematic sustainability issues in stewardship practices

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(M) Involvement in collaborative engagement and stewardship initiatives

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(N) Engagement with policy makers and other non-investee stakeholders

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(O) Results of stewardship activities

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**Performance and Reporting**

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(P) ESG disclosure in regular client reporting

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(Q) Inclusion of ESG factors in contractual agreements

(R) We do not consider any of the above responsible investment aspects important in the assessment of external investment managers

## SERVICE PROVIDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 2	CORE	OO 21	N/A	PUBLIC	Service providers	4

**Which responsible investment aspects does your organisation consider important when assessing all service providers that advise you in the selection, appointment and/or monitoring of external investment managers?**

- (A) Incorporation of their responsible investment policy into advisory services
- (B) Ability to accommodate our responsible investment policy
- (C) Level of staff's responsible investment expertise
- (D) Use of data and analytical tools to assess the external investment manager's responsible investment performance
- (E) Other
- (F) We do not consider any of the above responsible investment aspects important when assessing service providers that advise us in the selection, appointment and/or monitoring of external investment managers
- (G) **Not applicable; we do not engage service providers in the selection, appointment or monitoring of external investment managers**

## POOLED FUNDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 3	PLUS	OO 5.2, OO 21	N/A	PUBLIC	Pooled funds	4

**If you invest in pooled funds, describe how you incorporate responsible investment aspects into the selection, appointment and/or monitoring of external investment managers.**



**Provide example(s) below**

(A) Selection

All potential managers are requested to complete various due diligence forms/questionnaires including a standalone, proprietary ESG Questionnaire which assesses various ESG topics including SFDR classification, establishment of appropriate carbon reduction targets, management of physical and transition risks, and disclosure of climate-related risks and opportunities in line with international reporting frameworks such as TCFD. An investment's exposure to physical and transition risks, as well as regulatory ESG risks are qualitatively and quantitatively assessed (where applicable) during the due diligence process. In addition, other responsible investment aspects assessed during due diligence include exposure to excluded business areas, sectors and regions, as well as good governance practices covering board structure, remuneration, independence, and labor practices.

(B) Appointment

Where practicable, fund managers are requested to sign and agree to fulfilling various ESG requirements including but not limited to: participation in the annual GRESB Real Estate Assessment, disclosure of regulatory-required metrics such as GHG emissions, and completion of ESG Questionnaires.

(C) Monitoring

We conduct engagements directly with underlying fund managers on various topics ranging from carbon reduction targets, climate risk, diversity, governance, and ESG-related training. Engagements may be routine in nature or based around specific transactional events, such as the release of the annual GRESB Real Estate Assessment results. Effective monitoring and engagement are essential components of the fiduciary duty on behalf of clients, and for this reason the team does not outsource any engagement-related tasks and activities. Engagements can take various forms, including written communication, conference calls, face-to-face meetings, investor meetings, AGMs, etc. The completion of the ESG Questionnaire is a mandatory requirement for all existing underlying fund managers. Once questionnaires are assessed, we seek to identify particular areas of weakness and underperformance and encourage managers to focus their efforts on those topics. We believe engagement should not be restricted to negative performance and/or issues, and so outperformers are also contacted, congratulated and encouraged to continue their efforts.

## SELECTION

## RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 4	CORE	OO 12, OO 21	SAM 5, SAM 6, SAM 7	PUBLIC	Responsible investment practices	General

During the reporting year, did your organisation select new external investment managers or allocate new mandates to existing investment managers?

- (A) Yes, we selected new external investment managers or allocated new mandates to existing investment managers during the reporting year
- (B) No, we did not select new external investment managers or allocate new mandates to existing investment managers during the reporting year
- (C) Not applicable; our organisation is in a captive relationship with external investment managers, which applies to 90% or more of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 5	CORE	SAM 4	N/A	PUBLIC	Responsible investment practices	4

During the reporting year, what responsible investment aspects did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

### Organisation

(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(B) Responsible investment policy(ies) (e.g. the alignment of their responsible investment policy with the investment mandate)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(C) Governance structure and senior-level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

## People and Culture

**(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

## Investment Process

**(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

## Performance and Reporting

**(I) ESG disclosure in regular client reporting**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(J) Inclusion of ESG factors in contractual agreements**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(K) We did not review and evaluate any of the above responsible investment aspects when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

# APPOINTMENT

## SEGREGATED MANDATES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 8	CORE	OO 5.2, OO 13	N/A	PUBLIC	Segregated mandates	4

Which responsible investment aspects do your organisation, or the service provider acting on your behalf, explicitly include in clauses within your contractual agreements with your external investment managers for segregated mandates?

- (A) Their commitment to following our responsible investment strategy in the management of our assets**
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates**
    - (3) for a minority of our segregated mandates
  - (B) Their commitment to incorporating material ESG factors into their investment activities
  - (C) Their commitment to incorporating material ESG factors into their stewardship activities
  - (D) Their commitment to incorporating risks connected to systematic sustainability issues into their investment activities
  - (E) Their commitment to incorporating risks connected to systematic sustainability issues into their stewardship activities
  - (F) Exclusion list(s) or criteria**
    - Select from dropdown list
      - (1) for all of our segregated mandates
      - (2) for a majority of our segregated mandates
      - (3) for a minority of our segregated mandates**
  - (G) Responsible investment communications and reporting obligations, including stewardship activities and results**
    - Select from dropdown list
      - (1) for all of our segregated mandates**
      - (2) for a majority of our segregated mandates
      - (3) for a minority of our segregated mandates
  - (H) Incentives and controls to ensure alignment of interests**
    - Select from dropdown list
      - (1) for all of our segregated mandates**
      - (2) for a majority of our segregated mandates
      - (3) for a minority of our segregated mandates
  - (I) Commitments on climate-related disclosure in line with internationally-recognised frameworks such as the TCFD
  - (J) Commitment to respect human rights as defined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights
  - (K) Their acknowledgement that their appointment is conditional on the fulfilment of their agreed responsible investment commitments**
    - Select from dropdown list
      - (1) for all of our segregated mandates**
      - (2) for a majority of our segregated mandates
      - (3) for a minority of our segregated mandates
  - (L) Other

- (M) We do not include responsible investment aspects in clauses within our contractual agreements with external investment managers for segregated mandates

## MONITORING

### RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 9	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	4

**For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' responsible investment practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?**

#### (6) Real estate

##### Organisation

(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)



(B) Responsible investment policy(ies) (e.g. the continued alignment of their responsible investment policy with the investment mandate)



(C) Governance structure and senior level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)



##### People and Culture

(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)

☑

(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)

☑

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### Investment Process

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(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)

☑

(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)

☑

(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks, their response to ESG incidents)

☑

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### Performance and Reporting

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(I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)

(J) Inclusion of ESG factors in contractual agreements

(K) We did not monitor any of the above aspects of our external investment managers' responsible investment practices during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 11	PLUS	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

**Describe an innovative practice you adopted as part of monitoring your external investment managers' responsible investment practices in a specific asset class during the reporting year.**

The Multi-Managers Real Estate business within UBS Real Estate & Private Markets (REPM) started systematically requesting, processing, and incorporating physical and transition risk related data (where available) from underlying fund managers in our ongoing annual ESG monitoring processes. Underlying fund managers are now requested to provide data which enables investment analysts to process and interpret this data to facilitate periodic risk monitoring using tools such as CRREM Pathway Analysis and S&P Trucost.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 12	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

**For the majority of your externally managed AUM in each asset class, how often does your organisation, or the service provider acting on your behalf, monitor your external investment managers' responsible investment practices?**

## (6) Real estate

(A) At least annually	<input checked="" type="checkbox"/>
(B) Less than once a year	<input type="checkbox"/>
(C) On an ad hoc basis	<input checked="" type="checkbox"/>

## ENGAGEMENT AND ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 15	PLUS	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

### Describe how your organisation engaged with external investment managers to improve their responsible investment practices during the reporting year.

The UBS Multi-Managers Real Estate (MMRE) team communicates the importance of ESG to our existing and potential new underlying fund managers to ensure appropriate resources and attention are dedicated to the topic. We seek to raise ESG topics and concerns in investor-wide environments to increase pressure on managers in this area. We believe periodic and effective engagement on ESG topics is crucial in order to limit the risk of regulatory non-compliance, maintain properties' competitive position in the market, increase the appeal of a property to tenants and purchasers, and in some cases, reduce expenses and improve returns. We conduct engagements directly with underlying fund managers on various topics ranging from carbon reduction targets, climate risk, diversity, governance, and ESG-related training.

Engagements may be routine in nature or based around specific transactional or recurring events, such as the release of the annual GRESB Real Estate Assessment results. Effective monitoring and engagement are essential components of the fiduciary duty on behalf of clients, and for this reason the team does not outsource any engagement-related tasks and activities. Our engagements can take various forms, including written communication, conference calls, face-to-face meetings, investor meetings, AGMs, etc.

Additional engagement takes place with fund managers around the our proprietary MMRE ESG Questionnaire which is distributed to underlying fund managers on an annual basis.

The completion of the MMRE ESG Questionnaire is a mandatory requirement for all existing and potential new underlying fund managers. This enables non-GRESB participants to also be quantitatively measured, thus ranked and engaged with, alongside our GRESB participants.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 16	CORE	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

**What actions does your organisation, or the service provider acting on your behalf, include in its formal escalation process to address concerns raised during monitoring of your external investment managers' responsible investment practices?**

**(6) Real estate**

(A) Engagement with their investment professionals, investment committee or other representatives	<input checked="" type="checkbox"/>
(B) Notification about their placement on a watch list or relationship coming under review	<input checked="" type="checkbox"/>
(C) Reduction of capital allocation to the external investment managers until any concerns have been rectified	<input checked="" type="checkbox"/>
(D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination	<input checked="" type="checkbox"/>
(E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified	<input checked="" type="checkbox"/>
(F) Other	<input type="checkbox"/>
(G) Our organisation does not have a formal escalation process to address concerns raised during monitoring	<input type="radio"/>

## VERIFICATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 17	CORE	OO 14, OO 21	N/A	PUBLIC	Verification	1

**For the majority of your externally managed AUM in each asset class, how did your organisation, or the service provider acting on your behalf, verify that the information reported by external investment managers on their responsible investment practices was correct during the reporting year?**

### (6) Real estate

(A) We checked that the information reported was verified through a third-party assurance process

(B) We checked that the information reported was verified by an independent third party

(C) We checked for evidence of internal monitoring or compliance

(D) Other

(E) We did not verify the information reported by external investment managers on their responsible investment practices during the reporting year

# LISTED EQUITY (LE)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) Yes, our investment process incorporates material governance factors	(3) for a minority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(3) for a minority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period	(3) for a minority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion	○	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○	○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) Yes, we have a formal process that includes scenario analyses		(3) for a minority of our AUM	(3) for a minority of our AUM
(B) Yes, we have a formal process, but it does not include scenario analyses	(3) for a minority of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM
(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion	○	○	○
(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies	○	○	○

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?**

	(1) Active - quantitative	(2) Active - fundamental
(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process	(2) in a majority of cases	(2) in a majority of cases
(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes	o	o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(3) in a minority of cases	(1) in all cases	(1) in all cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(3) in a minority of cases	(1) in all cases	(1) in all cases
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	(3) in a minority of cases	(1) in all cases	(1) in all cases
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors	(3) in a minority of cases	(1) in all cases	(1) in all cases

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

○ ○ ○

## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.**

One of UBS-AM's largest active equity strategies, UBS Global Sustainable Equity (GSE) strategy managed by the Global Equity team, employs our rigorous process of ESG risk assessment, analysis and engagement. The team's research approach seeks to determine if a company's sustainability factors (clearly disclosed or not) can be linked to a demonstrable economic impact and contribute to shareholder value. They are actively seeking to identify business models that are highly competitive within their industry by assessing material aspects of the company including its resource efficiency, governance structure, the ability to innovate, to attract (and keep) superior employees, control the supply chain and comply with regulations. As active stock investors, they look for sustainability signposts of competitive superiority that have the potential to lead to observable and realizable financial returns for shareholders.

The team starts by leveraging the insights from the Global Equity research team. For each stock, analysts discount to the present all future cash flows that we believe will accrue to an investor, incorporating the analyst team's considerations of company management, competitive advantage and each company's core competencies. These value estimates are then compared to current market prices and ranked against the other stocks in our valuation universe.

We utilize our proprietary valuation database Global Equity Valuation System (GEVS) to store the data and organize the valuation rankings. GEVS is a quantitative tool that allows our team to consistently measure and compare the discounted cash flows that our analysts believe companies can generate for investors in the future.

The analysts combine material sustainability data with sector knowledge, as well as an in-depth understanding of a company's strategy, to develop a forward-looking view of the potential impact of sustainability on that company's future financial performance. To assist this research, the analysts can leverage our proprietary UBS ESG Materiality Framework which identifies 3 to 5 of the most financially relevant factors, per sector, that can impact the investment thesis across 32 different industry sectors.

This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the bottom line and investment returns. This insight forms the basis for integrated investment recommendations, which combine both sustainability and financial analysis.

In addition, we monitor and analyze ESG risks in the portfolio using our proprietary UBS ESG Risk Dashboard. The Dashboard combines scores and data points from a number of reputable external research providers together with the UBS ESG Score which generates a UBS ESG Consensus score.

In addition, the ESG Dashboard flags companies with elevated sustainability risks. Absolute ESG risks such as poor corporate governance and high ESG controversy levels may lead to an ESG Risk Signal, which is a flag for companies with high ESG risks.

The analysts indicate whether they agree with the results of the ESG Dashboard, provide a rationale for their conclusions, and assess the forward-looking direction (positive – stable – negative) of the issuer's ESG performance. The ESG risk assessment takes into account the SI Analysts' guidance and expertise on emerging ESG themes and their potential impacts (climate, environment, human rights etc.) on a sector.

This results in an ESG risk recommendation (1-5 scale). For companies with a confirmed high or severe ESG risk signal, these cannot be held in GSE.

Engagement is a critical component of the research process, and the team often meets with company management prior to investment. Engagements are prioritised and undertaken dependent on the circumstances and the issues to be discussed. Where the team has identified an issue with the strategic direction of the company, performance of management or remuneration, they may seek to discuss concerns with the company early in order to minimise the potential loss of shareholder value.

The effectiveness of engagement can often only be judged over a period of time and can come in various forms, from information sharing to change in company practices and we often continue to engage with the company throughout the holding period.

Ultimately, the team believes that by identifying long-term investment opportunities, anticipating and managing financially material risks and engaging with companies where required, ensures the limitation of downside risk and the construction of a portfolio that should deliver good risk-adjusted returns to clients over the longer term and will positively impact society and the environment.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**



	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(3) for a minority of our AUM	(2) for a majority of our AUM	(1) for all of our AUM
(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(3) for a minority of our AUM	(2) for a majority of our AUM	(1) for all of our AUM
(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process			
(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process			
(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors	○	○	○

## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 7	PLUS	OO 21	N/A	PUBLIC	Passive investments	1

### Provide an example of how material ESG factors influenced weightings and tilts in the design of your passively managed funds.

Within Systematic and Index Investments, we have extensive experience and expertise in incorporating sustainability factors in index funds and rules-based strategies, alongside three pillars: replicating third party indices, constructing custom indices in collaboration with clients, consultants, and index providers, and constructing proprietary rules-based strategies. We have carried out and continue to carry out in-depth research and analysis on efficient implementation of ESG factors in rules-based strategies, with specific focus on climate change-related factors.

As an example of this, the Climate Transition strategy utilises best-in-class datasets and a rules-based approach, investing in a traditional market capitalization index and applying positive and negative tilts related to climate change and social aspects.

The key features of the strategy include:

- Inclusion of forward-looking element: We consider six qualitative, forward-looking indicators of a company's overall commitment to reducing its CO2 footprint. Essentially by incorporating this forward-looking evidence we improve our confidence in our assessment of whether a given company could achieve its target.
- Decarbonisation over time: Future decarbonisation, in line with the IPCC's 1.5°C scenario, is built into the objectives to ensure the strategy is continually evolving to support investors to meet their Net-Zero commitments.
- Inclusion of social aspects: The key differentiating feature of the strategy is that it considers selected social aspects for a sustainable climate transition by applying tilts towards companies that align with five of the social and environmental UN Sustainable Development Goals (SDGs).
- Voting and engagement: Crucial to the Climate Transition strategy is its associated stewardship program that includes an active voting and corporate engagement policy. Engagements are selective and with a focus on the net-zero alignment and transition planning of companies.

Construction Process of the Climate-tilted Portfolio:

The strategy utilises a series of quantitative and qualitative metrics, alongside four pillars (mitigation, adaptation, transition and sustainability), by applying positive and negative tilts.

The positive tilts aim to increase exposure to companies that: Provide renewable energy or associated relevant climate technologies, perform in line with climate change goals that are consistent with the IPCC's 1.5°C scenario, provide products and services aligned with five chosen UN SDGs, and/or have better than average sustainability score as measured by the UBS ESG Consensus Score.

The negative tilts aim to reduce exposure to companies that: Have worse than average GHG emissions when converted to tons of CO2 equivalent and/or have proven fossil fuel reserves (coal, oil and gas).

Mitigation:

- We collect data on scope 1, scope 2 and scope 3 carbon emissions from best-in class third parties databases
- The strategy targets 40% reduction vs. benchmark in scope 1, 17% in scope 2 and 8% in scope 3 carbon intensity (as measured by the weighted average CO2 equivalent emissions in tons divided by revenue in USDm) and 30% reduction in scope 1 and 2 carbon emissions intensity (as measured by the weighted average CO2 equivalent emissions in tons divided by EVIC)
- The strategy targets a higher exposure to climate-sensitive sectors as classified by NACE Sector Codes

Adaptation:

- Green opportunities: Current target of at least 12% higher exposure to companies that invest in renewable energy and associated relevant climate technologies compared to the benchmark
- Fossil fuel reserves: We aim to decrease investment in companies that currently hold proven reserves in coal, oil and gas by 20%

Transition:

- Net Zero 2050 Scenario Glide Path probability: We built a quantitative model that compares the company's carbon footprint trend with the required emission reduction implied by the Net Zero 2050 scenario. The strategy targets a 15% tilt towards companies most aligned to meet industry carbon reduction targets in line with the Net Zero 2050 scenario.
- Low carbon commitment score: We consider a number of qualitative, forward-looking indicators of a company's overall commitment to reducing its CO2 footprint, including SBTi disclosures.

Sustainability:

- UBS ESG Consensus Score: We aim to increase investment in companies with a higher than average ESG score by 15%.
- UN SDGs: We aim to increase investment in companies aligned with five UN Sustainable Development Goals (SDGs) by at least 5% higher exposure: Good Health & Well Being; Affordable & Clean Energy; Decent Work & Economic Growth; Responsible Consumption & Production and Climate Action.

In addition to the tilts outlined above, the strategy applies selected sustainable and climate-related exclusions.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 8	PLUS	OO 19, OO 21	N/A	PUBLIC	Passive investments	1

**How does your organisation select the ESG index(es) or benchmark(s) for your passive listed equity assets?**

- (A) We commission customised indexes  
Explain:
- (B) We compare the methodology amongst the index providers available  
Explain:
- (C) We compare the costs of different options available in the market

Explain:

(D) Other

Specify and explain:

Market / Investor demand

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(1) Active - quantitative

(2) Active - fundamental

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.**

Regarding how we incorporate ESG factors in our equity valuation and portfolio construction, we refer to the example of a US agricultural equipment manufacturer that provides smart farming solutions throughout the agricultural production cycle. We believe the company's products were linked to ESG opportunities – for example; improving agricultural productivity, efficiency and reduction in post-harvest waste through their professional farm machinery. The company had grown through multiple acquisitions and introduced a platform strategy across its different products which we believed would bring significant economies of scale. Coupled with growing market share in Europe and a healthy R&D pipeline, we saw clear pathway to increased profitability and improved margin expansion, believing the company had attractive fundamentals.

From an ESG analysis perspective, the company had historically lagged peers however we identified opportunities to engage with the company on numerous topics across governance and their sustainability strategy. Over 6.5 years (to end July 2022), we actively engaged with the company – having approximately 20 ESG dedicated engagement meetings during which we saw several improvements including: considerable board refreshment, introduction of a firm-wide Environmental Management system and the publication of the company's sustainability priorities. We are long term investors and looking back over 3 years, we believe these improvements proved to have a positive effect on the realized return of this asset and the stock contributed positively to relative performance in several sustainably-focused portfolios.

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens

(C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings

(D) We do not share the above information for all our listed equity assets subject to ESG screens

# FIXED INCOME (FI)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?**

	(1) SSA	(2) Corporate
(A) Yes, our investment process incorporates material governance factors	(2) for a majority of our AUM	(2) for a majority of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(2) for a majority of our AUM	(2) for a majority of our AUM
(C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons		
(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion	<input type="checkbox"/>	<input type="checkbox"/>
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	<input type="checkbox"/>	<input type="checkbox"/>

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?**

	(1) SSA	(2) Corporate
(A) Yes, we have a formal process that includes scenario analyses	(3) for a minority of our AUM	(3) for a minority of our AUM
(B) Yes, we have a formal process, but does it not include scenario analyses	(2) for a majority of our AUM	(2) for a majority of our AUM
(C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion	○	○
(D) We do not monitor and review the implications of changing ESG trends on our fixed income assets	○	○

**(A) Yes, we have a formal process that includes scenario analyses - Specify: (Voluntary)**

Monitoring and reviewing the implications of changing ESG trends including scenario analyses is part of our proprietary research process for corporates, supranationals and agencies.

**(B) Yes, we have a formal process, but it does not include scenario analyses - Specify: (Voluntary)**

Monitoring and reviewing the implications of changing ESG trends is part of our proprietary research process for corporates, supranationals and agencies.



## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?**

	(1) SSA	(2) Corporate
(A) We incorporate material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate material governance-related factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We do not incorporate material ESG factors for the majority of our fixed income investments	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?**

	(1) SSA	(2) Corporate
(A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices)	(2) for a majority of our AUM	(2) for a majority of our AUM
(B) Yes, we have a framework that differentiates ESG risks by sector	(2) for a majority of our AUM	(2) for a majority of our AUM
(C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector	○	○
(D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?**

	(1) SSA	(2) Corporate
(A) We incorporate it into the forecast of financial metrics or other quantitative assessments	(2) for a majority of our AUM	(2) for a majority of our AUM
(B) We make a qualitative assessment of how material ESG factors may evolve	(2) for a majority of our AUM	(2) for a majority of our AUM

(C) We do not incorporate significant changes in material ESG factors

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## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?**

**(1) SSA**

**(2) Corporate**

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(2) for a majority of our AUM

(2) for a majority of our AUM

(B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process

(C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(2) for a majority of our AUM

(2) for a majority of our AUM

(D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways

(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Passive investments	1

**Provide an example of how material ESG factors influenced weightings and tilts in the design of your passively managed funds.**

We keep seeing a growing movement among asset owners to embrace climate-aware investment. Institutional investors such as pension funds with long-term investment horizons and liabilities are particularly vulnerable to disruptions and risks caused by climate change and are therefore looking to incorporate climate change considerations into investment analysis and decisions in order to mitigate those risks.

At UBS Asset Management, we have combined our expertise in index replication with our knowledge of sustainable investments to create the rules-based UBS Global Corporate Bonds Climate Aware strategy. The strategy is based on our award-winning proprietary climate aware methodology, but at the same time does not deviate significantly from the benchmark Bloomberg Global Aggregate Corporate Index. Rather than excluding any sectors, it adapts its allocations to reflect a company's climate impact. Our approach is innovative - it is both forward looking and uses a probabilistic framework to capture the inherent uncertainty surrounding carbon data.

The strategy is overweight in bonds issued by companies that:

- Are on the right track in contributing to the goal of limiting the temperature increase to a maximum of 1.5°C
- Are active in the field of renewable energies

In contrast, the strategy underweights bonds of companies that:

- Emit above-average greenhouse gases
- Generate electricity from coal
- Have their own coal, oil and gas reserves and potential "stranded assets"

In addition, selective guidelines of the Sustainability Exclusion Policy of UBS Asset Management are taken into account.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 10	PLUS	OO 19, OO 21	N/A	PUBLIC	Passive investments	1

How does your organisation select the ESG index(es) or benchmark(s) for your passive fixed income assets?

(A) We commission customised indexes

Explain:

(B) We compare the methodology amongst the index providers available

Explain:

(C) We compare the costs of different options available in the market

(D) Other

Specify and explain:

Market / Investor demand

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

How are material ESG factors incorporated into your portfolio risk management process?

(1) SSA

(2) Corporate

(A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations

(2) for a majority of our AUM

(2) for a majority of our AUM

(B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits

(2) for a majority of our AUM

(2) for a majority of our AUM

(C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors

(2) for a majority of our AUM

(2) for a majority of our AUM

(D) We use another method of incorporating material ESG factors into our portfolio's risk management process

(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

(1) SSA

(2) Corporate

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process

## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of environmental and/or social factors in your fixed income valuation or portfolio construction affected the realised returns of those assets.**

As an example of how incorporating ESG factors in our fixed income valuation and portfolio construction, we refer to the example of an American multinational company active in the Automobile Manufacturing industry. From a credit fundamentals perspective, the company shows strong cash flow and robust liquidity. Furthermore, it has exited underperforming markets and products to focus on its core, high margin business. Overall, the UBS Fundamental View (RFR) was determined as neutral. In terms of a bottom-up ESG analysis, the company has made investment into electric vehicles (EVs) a top strategic priority, which addresses one of the company's biggest long-term risks and supports positive trends in the ESG risk profile.

The firm expects to launch 30 EV models by 2025 and fully eliminate internal combustion light vehicles by 2035. The execution of their EV strategy will strengthen the company's competitive position if electric vehicle demand continues to grow. Therefore, the firm has an acceptable ESG Risk Recommendation profile with a positive direction. In terms of relative value analysis, we believe the company offers compelling value across the curve where it trades wide of comparable industrial names and we see it as a core investment grade holding that should continue to offer compelling value for the long-term. Given the solid fundamentals and the ESG product focus driving value, our portfolio management team decided to overweight the name in their portfolios. This proved to have a positive effect on the realised return of this asset, as the issuer outperformed issuers with comparable quality on a spread basis in 2022.

## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	PLUS	OO 20, OO 21	N/A	PUBLIC	Thematic bonds	3

**What percentage of environmental, social and/or other labelled thematic bonds held by your organisation has been verified?**

**As a percentage of your total labelled bonds:**

(A) Third-party assurance (5) >75%

(B) Second-party opinion (5) >75%



(C) Approved verifiers or external reviewers (e.g. via CBI or ICMA)

(5) >75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 16	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Thematic bonds	1

**What pre-determined criteria does your organisation use to identify which non-labelled thematic bonds to invest in?**

- (A) The bond's use of proceeds
- (B) The issuers' targets
- (C) **The issuers' progress towards achieving their targets**
- (D) The issuer profile and how it contributes to their targets
- (E) We do not use pre-determined criteria to identify which non-labelled thematic bonds to invest in
- (F) Not applicable; we do not invest in non-labelled thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	CORE	Multiple, see guidance	N/A	PUBLIC	Thematic bonds	1, 2, 6

**During the reporting year, what action did you take in the majority of cases when you felt that the proceeds of a thematic bond were not allocated appropriately or in accordance with the terms of the bond deal or prospectus?**

- (A) We engaged with the issuer
- (B) We alerted thematic bond certification agencies
- (C) We sold the security
- (D) We blacklisted the issuer
- (E) Other action
- (F) We did not take any specific actions when the proceeds of a thematic bond were not allocated according to the terms of the bond deal during the reporting year
- (G) **Not applicable; in the majority of cases, the proceeds of thematic bonds were allocated according to the terms of the bond deal during the reporting year**

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your fixed income assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as any deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our fixed income assets subject to ESG screens

## REAL ESTATE (RE)

### POLICY

#### INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 1	CORE	OO 21, OO 24, OO 26	N/A	PUBLIC	Investment guidelines	1 to 6

What real estate-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- (A) Guidelines on our ESG approach to real estate depending on use (e.g. retail and education) and geography
- (B) Guidelines on our ESG approach to new construction
- (C) Guidelines on our ESG approach to major renovations
- (D) Guidelines on our ESG approach to standing real estate investments
- (E) Guidelines on pre-investment screening
- (F) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- (G) Guidelines on our approach to ESG integration into long-term value creation efforts
- (H) Guidelines on our approach to ESG reporting
- (I) Guidelines on our engagement approach related to third-party property managers
- (J) Guidelines on our engagement approach related to tenants
- (K) Guidelines on our engagement approach related to construction contractors
- (L) Our responsible investment policy(ies) does not cover real estate-specific ESG guidelines

## FUNDRAISING

### COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

**For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters, or other constitutive fund documents?**

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon a client's request
- (C) We added responsible investment commitments in side letters upon a client's request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable; we have not raised funds in the last five years

## PRE-INVESTMENT

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 3	CORE	OO 21	RE 3.1	PUBLIC	Materiality analysis	1

**During the reporting year, how did you conduct ESG materiality analysis for your potential real estate investments?**

- (A) We assessed ESG materiality for each property, as each case is unique
  - Select from dropdown list:
    - (1) for all of our potential real estate investments
    - (2) for a majority of our potential real estate investments
    - (3) for a minority of our potential real estate investments
- (B) We performed a mix of property level and property type or category level ESG materiality analysis
- (C) We assessed ESG materiality at the property type or category level only
- (D) We did not conduct ESG materiality analysis for our potential real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 3.1	CORE	RE 3	N/A	PUBLIC	Materiality analysis	1

**During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential real estate investments?**

- (A) We used GRI standards to inform our real estate ESG materiality analysis
- (B) We used SASB standards to inform our real estate ESG materiality analysis
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our real estate ESG materiality analysis
- (D) We used GRESB Materiality Assessment (RC7) or similar to inform our real estate ESG materiality analysis**
- (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our real estate ESG materiality analysis**
- (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our real estate ESG materiality analysis
- (G) We used geopolitical and macro-economic considerations in our real estate ESG materiality analysis**
- (H) We used green building certifications to inform our real estate ESG materiality analysis**
- (I) We engaged with the existing owners and/or managers (or developers for new properties) to inform our real estate ESG materiality analysis
- (J) Other**

Specify:

Answers reflected in this survey for direct real estate have been provided in relation to the discretionary business, where UBS has control over investment decision. It further reflects an aggregated view across the various regions/location on a best effort basis, to the extent such aggregation is practical and possible.

## DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

**During the reporting year, how did material ESG factors influence your selection of real estate investments?**

- (A) Material ESG factors were used to identify risks**  
Select from dropdown list:
  - (1) for all of our potential real estate investments
  - (2) for a majority of our potential real estate investments**
  - (3) for a minority of our potential real estate investments
- (B) Material ESG factors were discussed by the investment committee (or equivalent)**  
Select from dropdown list:
  - (1) for all of our potential real estate investments
  - (2) for a majority of our potential real estate investments**
  - (3) for a minority of our potential real estate investments
- (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)
- (D) Material ESG factors were used to identify opportunities for value creation**  
Select from dropdown list:
  - (1) for all of our potential real estate investments
  - (2) for a majority of our potential real estate investments**
  - (3) for a minority of our potential real estate investments
- (E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate**  
Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (F) Material ESG factors impacted investments in terms of the price offered and/or paid**

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments
- (G) Material ESG factors did not influence the selection of our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential real estate investments?

(A) We conduct a high-level or desktop review against an ESG checklist for initial red flags

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(B) We send detailed ESG questionnaires to target properties

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(C) We hire third-party consultants to do technical due diligence on specific material ESG factors

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(D) We conduct site visits

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(E) We conduct in-depth interviews with management and/or personnel

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(F) We conduct detailed external stakeholder analysis and/or engagement

(G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as for other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments
- (I) Other
- (J) We do not conduct due diligence on material ESG factors for potential real estate investments

## SELECTION, APPOINTMENT AND MONITORING OF THIRD-PARTY PROPERTY MANAGERS

### SELECTION PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 6	CORE	OO 21, OO 26	N/A	PUBLIC	Selection process of third-party property managers	1, 4

During the reporting year, how did you include material ESG factors in all of your selections of third-party property managers?

- (A) We requested information from potential third-party property managers on their overall approach to material ESG factors
- (B) We requested track records and examples from potential third-party property managers on their management of material ESG factors
- (C) We requested information from potential third-party property managers on their engagement process(es) with stakeholders
- (D) We requested documentation from potential third-party property managers on their responsible procurement practices, including responsibilities, approach and incentives
- (E) We requested the assessment of current and planned availability and aggregation of metering data from potential third-party property managers
- (F) Other
- (G) We did not include material ESG factors in our selection of third-party property managers

### APPOINTMENT PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 7	CORE	OO 21, OO 26	N/A	PUBLIC	Appointment process of third-party property managers	1, 4

How did you include material ESG factors when appointing your current third-party property managers?

- (A) We set dedicated ESG procedures in all relevant property management phases
  - Select from dropdown list:
  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers
  - (3) for a minority of our third-party property managers
- (B) We set clear ESG reporting requirements

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers
- (C) We set clear targets on material ESG factors
  - Select from dropdown list:
    - (1) for all of our third-party property managers
    - (2) for a majority of our third-party property managers
    - (3) for a minority of our third-party property managers
- (D) We set incentives related to targets on material ESG factors
- (E) We included responsible investment clauses in property management contracts
  - Select from dropdown list:
    - (1) for all of our third-party property managers
    - (2) for a majority of our third-party property managers
    - (3) for a minority of our third-party property managers
- (F) Other
  - (G) We did not include material ESG factors in the appointment of third-party property managers

## MONITORING PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 8	CORE	OO 21, OO 26	N/A	PUBLIC	Monitoring process of third-party property managers	1, 4

How do you include material ESG factors when monitoring current third-party property managers?

- (A) We monitor the performance of quantitative and/or qualitative targets on material environmental factors
  - Select from dropdown list:
    - (1) for all of our third-party property managers
    - (2) for a majority of our third-party property managers
    - (3) for a minority of our third-party property managers
- (B) We monitor the performance of quantitative and/or qualitative targets on material social factors
  - Select from dropdown list:
    - (1) for all of our third-party property managers
    - (2) for a majority of our third-party property managers
    - (3) for a minority of our third-party property managers
- (C) We monitor the performance of quantitative and/or qualitative targets on material governance factors
  - Select from dropdown list:
    - (1) for all of our third-party property managers
    - (2) for a majority of our third-party property managers
    - (3) for a minority of our third-party property managers
- (D) We monitor progress reports on engagement with tenants
  - Select from dropdown list:
    - (1) for all of our third-party property managers
    - (2) for a majority of our third-party property managers
    - (3) for a minority of our third-party property managers
- (E) We require formal reporting at least yearly

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers

(F) We have discussions about material ESG factors with all relevant stakeholders at least yearly

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers

(G) We conduct a performance review of third-party property managers against targets on material ESG factors and/or a financial incentive structure linked to material ESG factors

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers

(H) We have internal or external parties conduct site visits at least yearly

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers

(I) Other

○ (J) We do not include material ESG factors in the monitoring of third-party property managers

## CONSTRUCTION AND DEVELOPMENT

### CONSTRUCTION REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 9	CORE	OO 21, OO 24	N/A	PUBLIC	Construction requirements	1

What ESG requirements do you currently have in place for all development projects and major renovations?

- (A) We require the management of waste by diverting materials (e.g. from construction and demolition, reusable vegetation, rocks and soil) from disposal
- (B) We require the minimisation of light and noise pollution that would affect the surrounding community
- (C) We require the performance of an environmental and social site impact assessment
- (D) We require the protection of the air quality during construction
- (E) We require the protection and restoration of the habitat and soils disturbed during construction and/or during previous development
- (F) We require the protection of surface water, groundwater and aquatic ecosystems by controlling and retaining construction pollutants
- (G) We require constant monitoring of health and safety at the construction site
- (H) We require engagement with local communities and other stakeholders during the design and/or planning process
- (I) Other
- (J) We do not have ESG requirements in place for development projects and major renovations



## MINIMUM BUILDING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 10	CORE	OO 21, OO 24	N/A	PUBLIC	Minimum building requirements	1

### What minimum building requirements do you have in place for development projects and major renovations?

- (A) We require the implementation of the latest available metering and internet of things (IoT) technology**  
 Select from dropdown list:
  - (1) for all development projects and major renovations
  - (2) for a majority of our development projects and major renovations**
  - (3) for a minority of our development projects and major renovations
- (B) We require the building to be able to obtain a recognised green and/or healthy building certification for new buildings**  
 Select from dropdown list:
  - (1) for all development projects and major renovations
  - (2) for a majority of our development projects and major renovations**
  - (3) for a minority of our development projects and major renovations
- (C) We require the use of certified (or labelled) sustainable building materials**  
 Select from dropdown list:
  - (1) for all development projects and major renovations
  - (2) for a majority of our development projects and major renovations
  - (3) for a minority of our development projects and major renovations**
- (D) We require the installation of renewable energy technologies where feasible**  
 Select from dropdown list:
  - (1) for all development projects and major renovations
  - (2) for a majority of our development projects and major renovations**
  - (3) for a minority of our development projects and major renovations
- (E) We require that development projects and major renovations become net-zero carbon emitters within five years of completion of the construction**  
 Select from dropdown list:
  - (1) for all development projects and major renovations
  - (2) for a majority of our development projects and major renovations
  - (3) for a minority of our development projects and major renovations**
- (F) We require water conservation measures**  
 Select from dropdown list:
  - (1) for all development projects and major renovations
  - (2) for a majority of our development projects and major renovations**
  - (3) for a minority of our development projects and major renovations
- (G) We require common health and well-being measures for occupants**  
 Select from dropdown list:
  - (1) for all development projects and major renovations
  - (2) for a majority of our development projects and major renovations
  - (3) for a minority of our development projects and major renovations**
- (H) Other
- (I) We do not have minimum building requirements in place for development projects and major renovations

# POST-INVESTMENT

## MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 11	CORE	OO 21	RE 11.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your real estate investments?

(A) Yes, we tracked KPIs on environmental factors

Percentage of real estate assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(B) Yes, we tracked KPIs on social factors

Percentage of real estate assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(C) Yes, we tracked KPIs on governance factors

Percentage of real estate assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(D) We did not track KPIs on material ESG factors across our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 11.1	PLUS	RE 11	N/A	PUBLIC	Monitoring	1

Provide examples of KPIs on material ESG factors you tracked across your real estate investments during the reporting year.

(A) ESG KPI #1

Physical risk score

(B) ESG KPI #2

Alignment with NZ path, scope 1, 2

(C) ESG KPI #3

Water usage/consumption

(D) ESG KPI #4

Energy consumption

(E) ESG KPI #5

Waste production

(F) ESG KPI #6

On-site renewable energy production

(G) ESG KPI #7

Estimated emissions

(H) ESG KPI #8

Certification status

(I) ESG KPI #9

(J) ESG KPI #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 12	CORE	OO 21	N/A	PUBLIC	Monitoring	1

During the reporting year, what ESG building performance data did you collect for your real estate assets?

(A) Energy consumption

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(B) Water consumption

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(C) Waste production

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(D) Other

- (E) We did not collect ESG building performance data for our real estate assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 13	CORE	OO 21, OO 26	RE 13.1	PUBLIC	Monitoring	1, 2

What processes do you have in place to support meeting your targets on material ESG factors for your real estate investments?

- (A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance**  
 Select from dropdown list:
  - (1) for all of our real estate assets
  - (2) for a majority of our real estate assets**
  - (3) for a minority of our real estate assets
- (B) We implement certified environmental and social management systems across our portfolio**  
 Select from dropdown list:
  - (1) for all of our real estate assets
  - (2) for a majority of our real estate assets**
  - (3) for a minority of our real estate assets
- (C) We make sufficient budget available to ensure that the systems and procedures needed are established**  
 Select from dropdown list:
  - (1) for all of our real estate assets
  - (2) for a majority of our real estate assets**
  - (3) for a minority of our real estate assets
- (D) We hire external verification services to audit performance, systems, and procedures**  
 Select from dropdown list:
  - (1) for all of our real estate assets
  - (2) for a majority of our real estate assets**
  - (3) for a minority of our real estate assets
- (E) We collaborate and engage with our third-party property managers and/or tenants to develop action plans**  
 Select from dropdown list:
  - (1) for all of our real estate assets
  - (2) for a majority of our real estate assets**
  - (3) for a minority of our real estate assets
- (F) We develop minimum health and safety standards
- (G) We conduct ongoing engagement with all key stakeholders, e.g. local communities, NGOs, governments, and end-users**  
 Select from dropdown list:
  - (1) for all of our real estate assets
  - (2) for a majority of our real estate assets
  - (3) for a minority of our real estate assets**
- (H) Other
  - (I) We do not have processes in place to help meet our targets on material ESG factors for our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 14	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period?**

**(A) We develop property-specific ESG action plans based on pre-investment research, due diligence and materiality findings**

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments**
- (3) for a minority of our real estate investments

**(B) We adjust our ESG action plans based on performance monitoring findings at least yearly**

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments**
- (3) for a minority of our real estate investments

**(C) We, or the external advisors that we hire, support our real estate investments with specific ESG value-creation opportunities**

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments**
- (3) for a minority of our real estate investments

(D) Other

(E) We do not manage material ESG risks and opportunities post-investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 17	CORE	OO 21	N/A	PUBLIC	Monitoring	1

**What proportion of your real estate assets has obtained a green or sustainable building certification?**

- (A) All of our real estate assets have obtained a green or sustainable building certification
- (B) A majority of our real estate assets have obtained a green or sustainable building certification
- (C) A minority of our real estate assets have obtained a green or sustainable building certification**
- (D) None of our real estate assets have obtained a green or sustainable building certification

## STAKEHOLDER ENGAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 18	CORE	OO 21	N/A	PUBLIC	Stakeholder engagement	1, 2

### How does your third-party property manager(s) engage with tenants?

- (A) They engage with real estate tenants on energy, water consumption and/or waste production**  
 Select from dropdown list:
  - (1) for all of our buildings or properties
  - (2) for a majority of our buildings or properties**
  - (3) for a minority of our buildings or properties
- (B) They engage with real estate tenants by organising tenant events focused on increasing sustainability awareness, ESG training and guidance**  
 Select from dropdown list:
  - (1) for all of our buildings or properties
  - (2) for a majority of our buildings or properties**
  - (3) for a minority of our buildings or properties
- (C) They engage with real estate tenants by offering green leases**  
 Select from dropdown list:
  - (1) for all of our buildings or properties
  - (2) for a majority of our buildings or properties**
  - (3) for a minority of our buildings or properties
- (D) They engage with real estate tenants by identifying collaboration opportunities that support targets related to material ESG factors**  
 Select from dropdown list:
  - (1) for all of our buildings or properties
  - (2) for a majority of our buildings or properties**
  - (3) for a minority of our buildings or properties
- (E) They engage with real estate tenants by offering shared financial benefits from equipment upgrades**  
 Select from dropdown list:
  - (1) for all of our buildings or properties
  - (2) for a majority of our buildings or properties
  - (3) for a minority of our buildings or properties**
- (F) Other
- (G) Our third-party property manager(s) do not engage with tenants

## EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 20	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

During the reporting year, what responsible investment information was shared with potential buyers of real estate investments?

(A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments

(B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD or GRESB

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments

(C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments

(D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments

(E) The outcome of our latest ESG risk assessment of the property(s)

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments

(F) Key ESG performance data on the property(s) being sold

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments

(G) Other

(H) No responsible investment information was shared with potential buyers of real estate investments during the reporting year

(I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

## DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 21	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

During the reporting year, how did you report on your targets on material ESG factors and related data to your investors?

- (A) We reported through a publicly disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors
- (C) We reported at the property level through formal reporting to investors
- (D) We reported through a limited partners advisory committee (or equivalent)
- (E) We reported at digital or physical events or meetings with investors
- (F) We had a process in place to ensure that serious ESG incidents were reported
- (G) Other
- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

## INFRASTRUCTURE (INF)

### POLICY

#### INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 1	CORE	OO 21, OO 29, OO 30	N/A	PUBLIC	Investment guidelines	1 to 6

What infrastructure-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- (A) Guidelines on our ESG approach tailored to each infrastructure sector and geography where we invest
- (B) Guidelines on our ESG approach to greenfield investments
- (C) Guidelines on our ESG approach to brownfield investments
- (D) Guidelines on pre-investment screening
- (E) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- (F) Guidelines on our approach to ESG integration into long-term value-creation efforts
- (G) Guidelines on our approach to ESG reporting
- (H) Guidelines on our engagement approach related to the workforce
- (I) Guidelines on our engagement approach related to third-party operators
- (J) Guidelines on our engagement approach related to contractors
- (K) Guidelines on our engagement approach related to other external stakeholders, e.g. governments, local communities, and end-users
- (L) Our responsible investment policy(ies) does not cover infrastructure-specific ESG guidelines



## FUNDRAISING

### COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters, or other constitutive fund documents?

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon a client's request
- (C) We added responsible investment commitments in side letters upon a client's request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable; we have not raised funds in the last five years

## PRE-INVESTMENT

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 3	CORE	OO 21	INF 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential infrastructure investments?

- (A) We assessed ESG materiality at the asset level, as each case is unique
  - Select from dropdown list
    - (1) for all of our potential infrastructure investments
    - (2) for a majority of our potential infrastructure investments
    - (3) for a minority of our potential infrastructure investments
  - (B) We performed a mix of industry-level and asset-level ESG materiality analyses
  - (C) We assessed ESG materiality at the industry level only
  - (D) We did not conduct ESG materiality analysis for our potential infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 3.1	CORE	INF 3	N/A	PUBLIC	Materiality analysis	1

**During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential infrastructure investments?**

- (A) We used GRI standards to inform our infrastructure ESG materiality analysis
- (B) We used SASB standards to inform our infrastructure ESG materiality analysis
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our infrastructure ESG materiality analysis
- (D) We used the GRESB Materiality Assessment (RC7) or similar to inform our infrastructure ESG materiality analysis
- (E) We used the environmental and social factors detailed in the IFC Performance Standards (or similar standards used by development finance institutions) in our infrastructure ESG materiality analysis
- (F) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our infrastructure ESG materiality analysis
- (G) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our infrastructure ESG materiality analysis
- (H) We used geopolitical and macro-economic considerations in our infrastructure ESG materiality analysis
- (I) We engaged with existing owners and/or managers (or developers for new infrastructure assets) to inform our infrastructure ESG materiality analysis
- (J) Other  
Specify:

Answers reflected in this survey for direct infrastructure have been provided in relation to the discretionary business, where UBS has control over investment decision. It further reflects an aggregated view across the various regions/locations on a best effort basis, to the extent such aggregation is practical and possible.

## DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

**During the reporting year, how did material ESG factors influence the selection of your infrastructure investments?**

- (A) Material ESG factors were used to identify risks  
Select from dropdown list
  - (1) for all of our potential infrastructure investments
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (B) Material ESG factors were discussed by the investment committee (or equivalent)  
Select from dropdown list
  - (1) for all of our potential infrastructure investments
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)  
Select from dropdown list
  - (1) for all of our potential infrastructure investments
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (D) Material ESG factors were used to identify opportunities for value creation  
Select from dropdown list
  - (1) for all of our potential infrastructure investments
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments

(E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(F) Material ESG factors impacted investments in terms of the price offered and/or paid

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(G) Material ESG factors did not influence the selection of our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential infrastructure investments?

(A) We conduct a high-level or desktop review against an ESG checklist for initial red flags

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(B) We send detailed ESG questionnaires to target assets

(C) We hire third-party consultants to do technical due diligence on specific material ESG factors

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(D) We conduct site visits

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(E) We conduct in-depth interviews with management and/or personnel

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(F) We conduct detailed external stakeholder analyses and/or engagement

(G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

- (H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting and legal
  - Select from dropdown list
    - (1) for all of our potential infrastructure investments
      - (2) for a majority of our potential infrastructure investments
      - (3) for a minority of our potential infrastructure investments
  - (I) Other
    - (J) We do not conduct due diligence on material ESG factors for potential infrastructure investments

## SELECTION, APPOINTMENT AND MONITORING OF THIRD-PARTY OPERATORS

### SELECTION PROCESS OF THIRD-PARTY OPERATORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 6	CORE	OO 21, OO 30	N/A	PUBLIC	Selection process of third-party operators	1, 4

During the reporting year, how did you include material ESG factors in all of your selections of third-party operators?

- (A) We requested information from potential third-party operators on their overall approach to material ESG factors
- (B) We requested track records and examples from potential third-party operators on how they manage material ESG factors
- (C) We requested information from potential third-party operators on their engagement process(es) with stakeholders
- (D) We requested documentation from potential third-party operators on their responsible procurement and/or contractor practices, including responsibilities, approach, and incentives
- (E) Other
  - (F) We did not include material ESG factors in our selection of third-party operators

### APPOINTMENT PROCESS OF THIRD-PARTY OPERATORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 7	CORE	OO 21, OO 30	N/A	PUBLIC	Appointment process of third-party operators	1, 4

How did you include material ESG factors when appointing your current third-party operators?

- (A) We set clear and detailed expectations for incorporating material ESG factors into all relevant elements of infrastructure asset management
  - Select from dropdown list
    - (1) for all of our third-party operators
      - (2) for a majority of our third-party operators
      - (3) for a minority of our third-party operators
- (B) We set clear ESG reporting requirements

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators
- (3) for a minority of our third-party operators

(C) We set clear targets for material ESG factors

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators
- (3) for a minority of our third-party operators

(D) We set incentives related to targets on material ESG factors

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators
- (3) for a minority of our third-party operators

(E) Other

- (F) We did not include material ESG factors when appointing third-party operators

## MONITORING PROCESS OF THIRD-PARTY OPERATORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 8	CORE	OO 21, OO 30	N/A	PUBLIC	Monitoring process of third-party operators	1, 4

### How do you include material ESG factors when monitoring current third-party operators?

(A) We monitor the performance of quantitative and/or qualitative targets on material environmental factors

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators
- (3) for a minority of our third-party operators

(B) We monitor the performance of quantitative and/or qualitative targets on material social factors

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators
- (3) for a minority of our third-party operators

(C) We monitor the performance of quantitative and/or qualitative targets on material governance factors

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators
- (3) for a minority of our third-party operators

(D) We require formal reporting at least yearly

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators
- (3) for a minority of our third-party operators

(E) We have discussions about material ESG factors with all relevant stakeholders at least yearly

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators
- (3) for a minority of our third-party operators
- (F) We conduct a performance review of third-party operators against targets on material ESG factors and/or a financial incentive structure linked to material ESG factors
- (G) We have internal or external parties conduct site visits at least yearly
- (H) Other
- (I) We do not include material ESG factors in the monitoring of third-party operators

## POST-INVESTMENT

### MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 9	CORE	OO 21	INF 9.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your infrastructure investments?

(A) Yes, we tracked KPIs on environmental factors

Percentage of infrastructure assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(B) Yes, we tracked KPIs on social factors

Percentage of infrastructure assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(C) Yes, we tracked KPIs on governance factors

Percentage of infrastructure assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

- (D) We did not track KPIs on material ESG factors across our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 9.1	PLUS	INF 9	N/A	PUBLIC	Monitoring	1

**Provide examples of KPIs on material ESG factors you tracked across your infrastructure investments during the reporting year.**

(A) ESG KPI #1

Greenhouse gas emissions - Scope 1

(B) ESG KPI #2

Greenhouse gas emissions - Scope 2

(C) ESG KPI #3

Greenhouse gas emissions - Scope 3 emissions

(D) ESG KPI #4

Energy consumption breakdown – share of non renewable and renewable energy

(E) ESG KPI #5

Energy consumption breakdown - broken down by share of each non-renewable energy source

(F) ESG KPI #6

Health and safety – rate of accidents

(G) ESG KPI #7

Biodiversity - Activities negatively affecting biodiversity- sensitive areas

(H) ESG KPI #8

Water – tonnes of direct emissions to water of priority substances including direct nitrates, direct phosphate emissions, direct pesticides

(I) ESG KPI #9

UN Global compact and OECD guidelines violations

(J) ESG KPI #10

UN Global compact and OECD policies and monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 10	CORE	OO 21, OO 30	INF 10.1	PUBLIC	Monitoring	1, 2

**What processes do you have in place to support meeting your targets on material ESG factors for your infrastructure investments?**

**(A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance**

Select from dropdown list

- (1) for all of our infrastructure investments**
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(B) We implement international best practice standards such as the IFC Performance Standards to guide ongoing assessments and analyses

**(C) We implement certified environmental and social management systems across our portfolio**

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments**
- (3) for a minority of our infrastructure investments

**(D) We make sufficient budget available to ensure that the systems and procedures needed are established**

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments**
- (3) for a minority of our infrastructure investments

(E) We hire external verification services to audit performance, systems, and procedures

**(F) We collaborate and engage with our third-party operators to develop action plans**

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments**
- (3) for a minority of our infrastructure investments

**(G) We develop minimum health and safety standards**

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments**
- (3) for a minority of our infrastructure investments

(H) We conduct ongoing engagement with all key stakeholders, e.g. local communities, NGOs, governments, and end-users

(I) Other

(J) We do not have processes in place to help meet our targets on material ESG factors for our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 11	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period of your investments?**

**(A) We develop asset-specific ESG action plans based on pre-investment research, due diligence and materiality findings**

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments**
- (3) for a minority of our infrastructure investments

**(B) We adjust our ESG action plans based on performance monitoring findings at least yearly**



Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(C) We, or the external advisors that we hire, support our infrastructure investments with specific ESG value-creation opportunities

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(D) Other

(E) We do not manage material ESG risks and opportunities post-investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 13	PLUS	OO 21	N/A	PUBLIC	Monitoring	2

**Describe how your ESG action plans are defined, implemented and monitored throughout the investment period.**

Our overall environmental goals

We have set out environmental promotion characteristics for funds which report under the EU's Sustainable Finance Disclosure Regulations (SFDR). We currently have two Article 8 strategies for our Equity business, and two Article 8 strategies for our Debt business. These strategies integrate and promote sustainability. Our Energy Storage strategy is Article 9 and therefore solely targets Sustainable Investments.

For our Equity business, the overall aim of our two Article 8 strategies is to have tailored sustainability approaches in place for each asset. We measure our performance against this objective by aiming to achieve at least 4 stars annually through the GRESB Infrastructure Assessment<sup>1</sup>, a global sustainability benchmark. One of our Article 8 strategies additionally aims to achieve a minimum of 15% Sustainable Investments as defined by the EU Taxonomy, which outlines a robust and technical approach to classifying "green" or "sustainable" economic activities.

In our Debt business, we request sustainability data annually from our borrowers. We also use the Portfolio Manager's proprietary sustainability scorecard to screen assets according to their sustainability characteristics.

We annually review each investment's sustainability score. Additionally, for our sustainability integrated Article 8 debt strategies, we will only invest in assets that score at least "medium" under the sustainability scorecard. We aim to improve sustainability disclosure for debt over time, which is an asset class that typically does not report on sustainability metrics. We focus particularly on aiming to gather greenhouse gas emissions data. As a lender, we naturally have less control and ability to drive change.

Our Energy Storage business has an Article 9 strategy which has Sustainable Investment as its objective.

The investments must meet criteria to fulfil the objective of 100% Sustainable Investments as defined by the EU Taxonomy.

Performance against our environmental commitments

For our globally diversified equity strategy launched in 2019, we exceeded our 15% Sustainable Investments target by achieving over 50% Sustainable Investments in line with an environmental objective of the EU Taxonomy. We also exceeded our target to achieve at least a 4 star GRESB rating.

We achieved a five-star GRESB rating reflecting first quintile results and demonstrating market-leading performance.

In our most recently launched debt fund we achieved good data coverage across key sustainability metrics. We also achieved an allocation of 85% Sustainable Investments. Our Energy Storage strategy met its objective of achieving 100% Sustainable Investments as defined by the EU Taxonomy and under Article 9 of EU SFDR.

Sustainable Investments across the Equity, Debt and Energy storage strategies substantially contribute to the environmental objective of climate change mitigation.

1 GRESB is a third-party organization that provides ESG data to financial markets. GRESB is compensated annually by its members for the assessments.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 14	CORE	OO 21	INF 14.1	PUBLIC	Monitoring	1, 2

#### How do you ensure that adequate ESG-related competence exists at the asset level?

**(A) We assign our board responsibility for ESG matters**

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments**
- (3) for a minority of our infrastructure investments

**(B) We ensure that material ESG matters are discussed by our board at least yearly**

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments**
- (3) for a minority of our infrastructure investments

**(C) We provide training on ESG aspects and management best practices relevant to the asset to C-suite executives only**

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments**
- (3) for a minority of our infrastructure investments

**(D) We provide training on ESG aspects and management best practices relevant to the asset to employees (excl. C-suite executives)**

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments**
- (3) for a minority of our infrastructure investments

**(E) We support the asset by finding external ESG expertise, e.g. consultants or auditors**

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(F) We share best practices across assets, e.g. educational sessions and the implementation of environmental and social management systems

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(G) We apply penalties or incentives to improve ESG performance in management remuneration schemes

(H) Other

(I) We do not ensure that adequate ESG-related competence exists at the asset level

## EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 16	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

During the reporting year, what responsible investment information was shared with potential buyers of infrastructure investments?

(A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD or GRESB

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(E) The outcome of our latest ESG risk assessment on the asset or portfolio company

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(F) Key ESG performance data on the asset or portfolio company being sold

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(G) Other

- (H) No responsible investment information was shared with potential buyers of infrastructure investments during the reporting year
- (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

## DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 17	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

During the reporting year, how did you report your targets on material ESG factors and related data to your investors?

- (A) We reported through a publicly-disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors
- (C) We reported at the asset level through formal reporting to investors
- (D) We reported through a limited partners advisory committee (or equivalent)
- (E) We reported at digital or physical events or meetings with investors
- (F) We had a process in place to ensure that reporting on serious ESG incidents occurred
- (G) Other
- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

## CONFIDENCE-BUILDING MEASURES (CBM)

### CONFIDENCE-BUILDING MEASURES

#### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year

- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
  - (H) We did not verify the information submitted in our PRI report this reporting year

## THIRD-PARTY EXTERNAL ASSURANCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 2	CORE	OO 21, CBM 1	N/A	PUBLIC	Third-party external assurance	6

For which responsible investment processes and/or data did your organisation conduct third-party external assurance?

- (A) Policy, governance and strategy
  - Select from dropdown list:
    - (1) Data assured
    - (2) Processes assured
    - (3) Processes and data assured
- (B) Manager selection, appointment and monitoring
- (C) Listed equity
  - Select from dropdown list:
    - (1) Data assured
    - (2) Processes assured
    - (3) Processes and data assured
- (D) Fixed income
  - Select from dropdown list:
    - (1) Data assured
    - (2) Processes assured
    - (3) Processes and data assured
- (F) Real estate
  - Select from dropdown list:
    - (1) Data assured
    - (2) Processes assured
    - (3) Processes and data assured
- (G) Infrastructure
  - Select from dropdown list:
    - (1) Data assured
    - (2) Processes assured
    - (3) Processes and data assured

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 3	PLUS	CBM 1	N/A	PUBLIC	Third-party external assurance	6

**Provide details of the third-party external assurance process regarding the information submitted in your PRI report.**

(1) Description of the third-party external assurance process

GRI Audit

As part of UBS Group AG's annual reporting, a sustainability report is published in accordance with GRI reporting standards. Within this report, UBS-AM discloses its SI AuM, engagement and proxy voting activities. The sustainability report is audited externally to ensure that all data provided is free from material misstatements.

ISO 14001 Audit

UBS is globally certified according to ISO 14001, the international environmental management system standard.

The environmental management system covers the entire scope of UBS products, services and in-house operations that may give rise to an environmental impact. Within the scope of this audit are also UBS-AM's Sustainable Investing Strategy and Shelf Framework, engagement and proxy voting activities. The implementation of the environmental management system requires each division to set clear, actionable goals against which they must report and are subsequently audited.

(2) Assurance standard(s) used by the third-party assurance provider

- (A) PAS 7341:2020
- (B) ISAE 3000 and national standards based on this
- (C) Dutch Standard 3810N (Assurance engagements regarding sustainability reports)
- (D) RevR6 (Assurance of Sustainability)
- (E) IDW AsS 821 (Assurance Standard for the Audit or Review of Reports on Sustainability Issues)
- (F) Accountability AA1000 Assurance Standard (AA1000AS)
- (G) IFC performance standards
- (H) SSAE 18 and SOC 1
- (I) **Other national auditing/assurance standard with guidance on sustainability; specify:**

Global Reporting Initiative (GRI)

- (J) Invest Europe Handbook of Professional Standards
- (K) ISAE 3402 Assurance Reports on Controls at a Service Organisation
- (L) AAF 01/20
- (M) AAF 01/06 Stewardship Supplement
- (N) ISO 26000 Social Responsibility
- (O) ISO 14065:2020 General principles and requirements for bodies validating and verifying environmental information
- (P) ASAE 3410 Assurance Engagements on Greenhouse Gas Statements
- (Q) PCAF
- (R) NGER audit framework (National Greenhouse and Energy Reporting)
- (S) **Auditor's proprietary assurance framework for assuring RI-related information**
- (T) Other greenhouse gas emissions assurance standard; specify:

(3) Third-party external assurance provider's report that contains the assurance conclusion

## INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

### What responsible investment processes and/or data were audited through your internal audit function?

- (A) Policy, governance and strategy**  
Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited
  - (3) Processes and data internally audited**
- (B) Manager selection, appointment and monitoring**  
Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited
  - (3) Processes and data internally audited**
- (C) Listed equity**  
Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited
  - (3) Processes and data internally audited**
- (D) Fixed income**  
Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited
  - (3) Processes and data internally audited**
- (F) Real estate**  
Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited
  - (3) Processes and data internally audited**
- (G) Infrastructure**  
Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited
  - (3) Processes and data internally audited**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

**Provide details of the internal audit process regarding the information submitted in your PRI report.**

Sustainable Investing processes which include Sustainable and impact methodologies, Stewardship and engagement, and the capture of the new ESG regulatory changes are monitored in the business through the Methodology forum, the Stewardship committee and the regulatory forum. A dedicated audit has been performed in 3Q2022 covering these areas to ensure that the SI governance is adequate and that the best practices are set up in best interest of our clients. Agreed governance, policies and procedures were found to be appropriately implemented.

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

**Who in your organisation reviewed the responses submitted in your PRI report this year?**

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent
  - Sections of PRI report reviewed
    - (1) the entire report
    - (2) selected sections of the report
  - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year