



PRIVATE RI REPORT

2020

UBS Asset Management

About this report

This report is an export of the individual Signatory organisation responses to the PRI Reporting Framework during the reporting period specified above. It shows your responses to all completed indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders. The PRI will **not publish** this report on its website. Instead, you will be able to access the public RI Transparency report of your organisation and that of other signatories on the PRI website.

The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information.

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PRI disclaimer

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00 01

Mandatory

Gateway/Peerings

General

00 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in range
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

☒ Hedge funds
☒ Fund of hedge funds

00 01.2

Additional information [Optional]

UBS Asset Management ("UBS AM") offers a diverse range of investment capabilities and investment styles designed to meet our clients' needs. We provide equity, fixed income, currency, hedge funds, real estate, infrastructure and private equity investment capabilities that can also be combined into customised solutions and multi-asset strategies.

Sustainable and Impact Investing is a strategic priority for UBS AM. We believe that using Environmental, Social and Governance ("ESG") factors, or material non-financial data, in the investment analysis process can improve the quality of investment decisions. Incorporating these factors can enable investors to take a more comprehensive view of the potential upside and downside of their investments. Most investment teams at UBS AM drive ESG integration within their investment processes. The extent of ESG integration may vary given our diverse range of investment capabilities. Portfolio managers and analysts have access to a variety of external and internal ESG data. They are supported by the Sustainable and Impact Investing team, a global team of 18 sustainability experts dedicated to research and stewardship activities, sustainability reporting, product development, thought leadership sales support, and education. The Sustainable and Impact Investing team collaborates with the investment teams, collaborating with them on best practices in using material non-financial data to inform forward looking analysis and preparing corporate engagement activities. Accordingly, a comprehensive suite of Sustainable Investing capabilities is available to our diverse client base that includes institutional, insurance, wholesale, individual/high net worth, and other clients. As a recognized innovator and thought leader within the industry, we are committed to making sustainability a part of every client conversation.

00 02

Mandatory

Peerings

General

00 02.1

Select the location of your organisation's headquarters

00 02.2

Indicate the number of countries in which you have offices (including your headquarters)

00 02.3

Indicate the approximate number of staff in your organisation in full time equivalents (FTE)

00 02.4

Additional information [Optional]

With approximately 2,200 personnel located in 22 markets, UBS AM is a truly global asset manager. Our principal offices are in Chicago, Hong Kong, London, New York, Shanghai, Singapore, Sydney, Tokyo and Zurich.

00 03

Mandatory

Descriptive

General

00 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right

00 03.2

Additional information [Optional]

Mitsubishi Corp. - UBS Realty Inc, our joint venture company in Japan, is a PRI signatory

00 04

Mandatory

Gateway/Peerings

General

00 04.1

Indicate the year and date for your reporting year

00 04.2

Indicate your total AUM at the end of your reporting year

00 04.3

Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Assets under execution and/or advisory only services

186,360,214,311 USD

186,360,214,311 USD

00 05

Mandatory to Report, Voluntary to Disclose

Gateway

General

00 05.1

Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies

	Internally managed (%)	Externally managed (%)
Labelled equity	10-50%	0
Fixed income	10-50%	0
Private equity	0	<10%
Property	<10%	<10%
Infrastructure	<10%	<10%
Commodities	0	0
Hedge funds	<10%	0
Fund of hedge funds	<10%	0
Financing	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	10-50%	0
Other (1), specify	10-50%	0
Other (2), specify	0	0

Internally managed - Other (1) description

Other - Multi-Asset strategies

00 06

Mandatory

Descriptive

General

00 06.1

Select how you would like to disclose your asset class mix

00 06.2

Indicate whether your organisation has any off-balance sheet assets [Optional]

00 06.3

Indicate whether your organisation uses fiduciary managers

00 06.4

Indicate whether your organisation uses fiduciary managers

00 07

Mandatory to Report, Voluntary to Disclose

Gateway

General

00 07.1

Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories

	ISA
100	
95	
90	
85	
80	
75	
70	
65	
60	
55	
50	
45	
40	
35	
30	
25	
20	
15	
10	
5	
0	

00 08

Mandatory to Report, Voluntary to Disclose

Peerings

General

00 08.1

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

Asset class breakdown	Segregated mandate(s)	Pooled fund(s) or pooled investment(s)	Total of the asset class (each row adds up to 100%)
(5) Private equity	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	100%
(6) Property	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	100%
(8) Infrastructure	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	100%

00 09

Mandatory

Peerings

General

00 09.1

Indicate the breakdown of your organisation's AUM by market

90

Developed Markets

010

1	Emerging Markets		
2	Frontier Markets		
3	Other Markets		
00 10	Mandatory	Gateway	General
00 10.1 Select the active ownership activities your organisation implemented in the reporting year			
<div> <div> <div>Listed equity – engagement</div> <div> <input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors. </div> </div> <div> <div>Listed equity – voting</div> <div> <input checked="" type="checkbox"/> We cast our (proxy) votes directly or via additional voting providers. <input type="checkbox"/> We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf. </div> </div> <div> <div>Fixed income – engagement</div> <div> <input type="checkbox"/> We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers. <input checked="" type="checkbox"/> We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not. <div>Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.</div> <div>We are in the process of developing our engagement efforts with SSA bond issuers.</div> </div> </div> <div> <div>Fixed income Corporate (financial) – engagement</div> <div> <input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not. </div> </div> <div> <div>Fixed income Corporate (non-financial) – engagement</div> <div> <input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not. </div> </div> <div> <div>Fixed income Corporate (secured) – engagement</div> <div> <input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not. </div> </div> </div>			
00 11	Mandatory	Gateway	General
00 11.1 Select the externally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year)			
<div> <div>Listed equity</div> <div> <input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation. </div> </div> <div> <div>Fixed income – SSA</div> <div> <input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation. </div> </div> <div> <div>Fixed income – corporate (financial)</div> <div> <input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation. </div> </div> <div> <div>Fixed income – corporate (non-financial)</div> <div> <input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation. </div> </div> <div> <div>Fixed income – securitised</div> <div> <input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation. </div> </div> <div> <div>Property</div> <div> <input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation. </div> </div> <div> <div>Infrastructure</div> <div> <input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation. </div> </div> <div> <div>Hedge funds</div> <div> <input type="checkbox"/> We address ESG incorporation. <input checked="" type="checkbox"/> We do not do ESG incorporation. </div> </div> <div> <div>Fund of hedge funds</div> <div> <input type="checkbox"/> We address ESG incorporation. <input checked="" type="checkbox"/> We do not do ESG incorporation. </div> </div> <div> <div>Money market instruments</div> <div> <input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation. </div> </div> <div> <div>Other (1)</div> <div> <input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation. </div> </div> <div> <div>Other (1) (as defined in 00 05)</div> <div> <input type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation. </div> </div> <div>Other: Multi-Asset strategies</div>			

Managed via third-party operators appointed by your organisation/companies owned by you	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors/other third-party operators	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Total/100%	

00-HP-03	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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00-HP-03.1		Indicate up to three of your largest infrastructure sectors by AUM	
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Sector	Main infrastructure sectors (by AUM)
Largest infrastructure sector	<input type="radio"/> Transportation <input checked="" type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify
Second largest infrastructure sector	<input type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input checked="" type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify
Third largest infrastructure sector	<input type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input checked="" type="radio"/> Other, specify Utilities

00-HP-04	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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00-HP-04.1			Please describe your hedge fund strategies and classification		
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Options presented for hedge funds		
Main strategy	Strategy as % of hedge fund AUM	Sub-strategy
Equity Hedge	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input checked="" type="checkbox"/> Equity Market Neutral <input type="checkbox"/> Fundamental Growth <input type="checkbox"/> Fundamental Value <input type="checkbox"/> Quantitative Directional <input type="checkbox"/> Sector: Energy/Basic Materials <input type="checkbox"/> Sector: Healthcare <input type="checkbox"/> Sector: Technology <input type="checkbox"/> Short Bias <input type="checkbox"/> Multi-Strategy
Event Driven	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="checkbox"/> Activist <input type="checkbox"/> Credit Arbitrage <input type="checkbox"/> Distressed / Restructuring <input checked="" type="checkbox"/> Merger Arbitrage <input type="checkbox"/> Private Issue / Regulation D <input type="checkbox"/> Special Situations <input type="checkbox"/> Multi-Strategy
Global Macro	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	
Relative Value	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input checked="" type="checkbox"/> Fixed Income - Asset Backed <input type="checkbox"/> Fixed Income - Convertible Arbitrage <input checked="" type="checkbox"/> Fixed Income - Corporate <input type="checkbox"/> Fixed Income - Sovereign <input type="checkbox"/> Volatility <input type="checkbox"/> Yield Alternatives: Energy Infrastructure <input type="checkbox"/> Yield Alternatives: Real Estate <input checked="" type="checkbox"/> Multi-Strategy
Risk Parity	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	
Blockchain	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	
Total 100% (of Internal Hedge Fund AUM)		

Options presented for Fund of Hedge Funds	
Fund of hedge fund sub-strategies	Approximate % of internally managed hedge fund AUM
Conservative	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Diversified	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Market Defensive	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Strategic	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Total 100% (of Internal Fund of Hedge Fund AUM)	

00-Checks	<input checked="" type="checkbox"/> If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.	Checks
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7

8

- Internal SI newsletter to educate internal staff on key updates and
- a UBS Group-wide #TOGETHERBRAND initiative, which supports the UN Sustainable Development Goals and centers around the conviction that none of the goals can be achieved without collective, multi-sector action. Created in the spirit of ESG #17, #TOGETHERBRAND brings together people and organizations who share the commitment towards a more sustainable future. The initiative offers a tangible, accessible way to drive awareness by offering sustainability produced wristbands, one for each of the SDGs. The bands are a symbol to wear and act as a reminder of the role everyone can and needs to play to achieve a sustainable future

☒ Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator

Improved tracking of engagement activities to assess progress.

Progress achieved

In 2019, we introduced an enhanced internal tracking system to assess the progress of dialogue against defined engagement objectives.

We maintain a comprehensive database of our company interactions in order to share information internally, review progress against defined objectives over time, and follow up on any issues that have been identified. This tracking system allows us to link engagement conversations with proxy voting decisions and the investment process (including providing inputs for decisions on overweighting, underweighting, and eventually selling).

☒ Improved ESG incorporation into investment decision making processes

Key performance indicator

Improved internal tools for ESG integration, specifically across our Active Equities investment platform.

Progress achieved

Across our fixed income and equity investment areas, we are widening the availability of ESG data through internal portfolio management tools and risk systems.

We continue to work towards all investment areas having access to the sustainability research that is produced by the Sustainable Investment Research team.

Within Active Equities, we have rolled out the UBS ESG Risk Dashboard, a proprietary risk tool which serves as a pillar for ESG integration and screening. The ESG Risk Dashboard combines scores and data points from a number of reputable external research providers together with the UBS internal ESG model to flag companies with elevated sustainability risks. In addition, absolute ESG risks, such as poor corporate governance and high ESG controversy levels are included in the ESG Risk Dashboard. Collectively, these inputs lead to a proprietary UBS ESG Consensus Score based on internal and external data. The inputs also lead to a UBS ESG Risk Signal which flags companies with high ESG risks.

Within Fixed Income, we developed a proprietary approach to assessing the sustainability performance of sovereigns. The sovereign framework provides an assessment of the sustainability profiles of government issuers across both emerging and developed markets.

☐ Other, specify (1)
☐ Other, specify (2)
☐ Other, specify (3)
☐ None of the above

ESG characteristics of investments

☒ Over or underweight companies based on ESG characteristics

Key performance indicator

Improved sustainability characteristics for UBS AM Sustainable focused strategies, including the Climate Aware Strategies.

Progress achieved

Across our Sustainable focused strategies, ESG characteristics are measured against ESG performance based on internal and external ESG data. Portfolio managers and analysts have access to carbon related data for additional insights on climate-related risks.

☐ Improve ESG ratings of portfolio
☐ Setting carbon reduction targets for portfolio
☐ Other, specify (1)
☐ Other, specify (2)
☐ Other, specify (3)
☐ None of the above

Other activities

☒ Joining and/or participation in RI initiatives

Key performance indicator

Expanded membership of specific global market initiatives and deepen level of participation.

Progress achieved

UBS AM is currently a member of, or supporting, the following global groups and initiatives:

- Asia Corporate Governance Association
- DBS SDG Impact Assessment Working Group
- EFAMA Stewardship, Market Integrity and ESG Investment Standing Committee
- Farm Animal Investment Risk & Return
- GRESB
- IPS Operating Principles for Impact Management
- Impact Management Project
- Institutional Investor Group on Climate Change
- International Corporate Governance Network
- Investor Statement of the Access to Medicine Index
- National Association of Real Estate Investment Managers
- Principles for Responsible Investment
- Sustainability Accounting Standards Board
- Swiss Sustainable Finance
- Trafford on Climate Related Financial Disclosures
- Transition Pathway Initiative
- UK Governance Forum
- UK Investor Forum
- US Green Building Council
- Workforce Disclosure Initiative

UBS AG is currently a member of, or supporting, the following global groups and initiatives:

- Principles for Responsible Banking
- Global Investor for Sustainable Development Alliance
- Green investment principles for the Real and Asset
- Centre for the Study of Financial Innovation
- Sustainable Finance Geneva
- Global Impact Investing Network
- European Venture Philanthropy Association
- Association for Environmental Management and Sustainability in Financial Institutions
- UNEP FI

☐ Encouraging others to join a RI initiative

☒ Documentation of best practice case studies

Key performance indicator

Publication of best practice case studies

Progress achieved

The UBS AM Annual Stewardship Report provides tangible examples and case studies of our stewardship activities.

- Engagement in practice
- Voting in practice

We have also documented and described our approach to engagement activities within the UBS AM Climate Aware strategy in our recent white paper, "Collaborating for Low Carbon World."

☒ Using case studies to demonstrate engagement and ESG incorporation to clients

Key performance indicator

Publish case studies to demonstrate engagement and ESG incorporation to clients

Progress achieved

For both current and prospective clients, (where applicable) we have provided case studies to demonstrate engagement and ESG incorporation of a given portfolio on request. We also provide quarterly reporting on engagement and proxy voting across strategies to all clients.

☒ Other, specify (1)

Other description (1)

Joining and/or participation in Collaborative Investor Initiatives

Key performance indicator

Expanded activity among Collaborative Investor Initiatives

Progress achieved

We joined Climate Action 100+ in 2018. We are currently directly involved in 29 coalitions of investors and lead seven of the company dialogues across regions. UBS AM is also a member of the ICCC Climate Action 100+ European Advisory Group, and we are participating in the ICCC Paris Aligned Investment Initiative where we are helping to strengthen the clarity and the call for an investment oriented climate change transition scenarios.

We are members of FARR and actively involved in Phase 4 of its sustainable protein supply chain engagement, leading and supporting on various dialogues with companies. We also use the Initiative's research in our own integration and engagement activities.

☐ Other, specify (2)
☐ Other, specify (3)
☐ None of the above

50/57

Mandatory

Core Assessed

General

50/57 1

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment

Role

☒ Board members or trustees

☒ Oversight/accountability for responsible investment
☐ Implementation of responsible investment
☐ No oversight/accountability or implementation responsibility for responsible investment

☒ Internal Roles (triggers other options)

Select from the below internal roles

☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee

☒ Oversight/accountability for responsible investment
☒ Implementation of responsible investment
☐ No oversight/accountability or implementation responsibility for responsible investment

☒ Other Chief level staff or head of department, specify

Head - Sustainable and Impact Investing

☒ Oversight/accountability for responsible investment
☒ Implementation of responsible investment
☐ No oversight/accountability or implementation responsibility for responsible investment

☒ Portfolio managers

☐ Oversight/accountability for responsible investment
☒ Implementation of responsible investment
☐ No oversight/accountability or implementation responsibility for responsible investment

☒ Investment analysts

☐ Oversight/accountability for responsible investment
☒ Implementation of responsible investment
☐ No oversight/accountability or implementation responsibility for responsible investment

☒ Dedicated responsible investment staff

☒ Oversight/accountability for responsible investment
☒ Implementation of responsible investment
☐ No oversight/accountability or implementation responsibility for responsible investment

☐ Investor relations

☐ Other role, specify (1)

Other description (1)

UBS in society Steering Committee

☒ Oversight/accountability for responsible investment
☐ Implementation of responsible investment
☐ No oversight/accountability or implementation responsibility for responsible investment

☐ Other role, specify (2)
☐ Other role, specify (3)
☐ None of the above

☐ External managers or service providers

50/57 2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities:

UBS AM

The Sustainable and Impact Investing (SI) team, which is a dedicated team of 18 professionals, operates across all investment areas. The Head of the SI team has a direct reporting line to the Head of Investments, Barry Gill, who is a member of UBS AM's Executive Committee, reporting to the President/CEO of UBS AM, Savi Hartford. The SI professionals are responsible for sourcing and distributing ESG data to investment teams across UBS AM, educating and collaborating with investment teams on best practices around using material ESG data in forward-looking investment analysis, and overseeing UBS AM's engagement and proxy voting programs. Also within the team are professionals responsible for the development and expansion of SI solutions. Finally, the SI team is responsible for content, including white papers, research reports, ESG and carbon related reporting, and other educational materials.

9

TRANSPARENCY

<input type="checkbox"/> Variable pay linked to responsible investment performance			
<input type="checkbox"/> None of the above			
SG 08.1b	RI in personal development and/or training plan		
<input checked="" type="checkbox"/> Responsible investment included in personal development and/or training plan			
<input type="checkbox"/> None of the above			
SG 08.3 Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.			
In the interest of aligning the objectives of the portfolio managers with the objectives of our clients, there is a strong emphasis on generating long-term sustainable performance. Portfolio manager performance awards are subject to detailed Key Performance Indicators (KPIs), mainly focused on investment performance of relevant client portfolios and funds. Investment performance is assessed annually over rolling one, three and five years against the benchmarks, performance target and peers. KPIs also include other factors such as risk management and client focus. In 2019, KPIs focused on sustainability integration were implemented for investment analysts and PMs throughout active equities and fixed income. These incentives were established to ensure the successful implementation of the sustainable investment integration strategy.			
SG 09	Mandatory	Core Assessed	PM 4.5
SG 09.1 Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played			
<input checked="" type="checkbox"/> Principles for Responsible Investment			
Your organisation's role in the initiative during the reporting period (see definitions)			
Advanced			
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]			
UBS AM is an active member of the following PRI coordinated groups: <ul style="list-style-type: none">Working group on fixed income engagementWorking group on engaging with companies on the SDGsSDGs advisory committeeAcademic network advisory committee In addition, we are active members of the Climate Action 100+ coalition promoted by PRI, CERES, IGGC, ICCC and ASGICC.			
<input checked="" type="checkbox"/> Asian Corporate Governance Association			
Your organisation's role in the initiative during the reporting period (see definitions)			
Moderate			
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]			
We regularly participated in their quarterly calls and joined collaborative efforts on a case by case basis.			
<input type="checkbox"/> Australian Council of Superannuation Investors			
<input type="checkbox"/> AVCA: Sustainability Committee			
<input type="checkbox"/> France Invest – La Commission ESG			
<input type="checkbox"/> IIVCA – Responsible Investment Advisory Board			
<input checked="" type="checkbox"/> CDP Climate Change			
Your organisation's role in the initiative during the reporting period (see definitions)			
Advanced			
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]			
We support the CDP as an investor member in their aim to improve company disclosure of risks and opportunities related to natural resources. In addition, UBS was a founding member in 2002. We continue to leverage and access research and data through the CDP portal. UBS Group participates in CDP climate change questionnaires, and CDP has awarded UBS with Leadership status and an A- rating on climate change for reporting in 2019.			
<input checked="" type="checkbox"/> CDP Forests			
Your organisation's role in the initiative during the reporting period (see definitions)			
Basic			
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]			
We support the CDP as an investor member in their aim to improve company disclosure of risks and opportunities related to natural resources. In addition, UBS was a founding member in 2002. We continue to leverage and access research and data through the CDP portal.			
<input checked="" type="checkbox"/> CDP Water			
Your organisation's role in the initiative during the reporting period (see definitions)			
Basic			
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]			
We support the CDP as an investor member in their aim to improve company disclosure of risks and opportunities related to natural resources. In addition, UBS was a founding member in 2002. We continue to leverage and access research and data through the CDP portal.			
<input type="checkbox"/> CFA Institute Centre for Financial Market Integrity			
<input checked="" type="checkbox"/> Climate Action 100+			
Your organisation's role in the initiative during the reporting period (see definitions)			
Advanced			
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]			
In 2019, UBS AM was directly involved in 29 coalitions of investors within Climate Action 100+ and led seven of these coalitions across regions. UBS AM is also a member of the ICCC Climate Action 100+ European Advisory Group.			
<input type="checkbox"/> Code for Responsible Investment in SA (CRISA)			
<input type="checkbox"/> Council of Institutional Investors (CII)			
<input type="checkbox"/> Euronext			
<input type="checkbox"/> Extractive Industries Transparency Initiative (EITI)			
<input type="checkbox"/> ESG Research Australia			
<input type="checkbox"/> Invest Europe Responsible Investment Roundtable			
<input type="checkbox"/> Global Investors Governance Network (GIGN)			
<input checked="" type="checkbox"/> Global Impact Investing Network (GIIN)			
Your organisation's role in the initiative during the reporting period (see definitions)			
Basic			
<input checked="" type="checkbox"/> Global Real Estate Sustainability Benchmark (GRESB)			
Your organisation's role in the initiative during the reporting period (see definitions)			
Advanced			
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]			
UBS AM is part of GRESB's advisory board and benchmark committee.			
<input type="checkbox"/> Green Bond Principles			
<input type="checkbox"/> IIVCA: ESG Committee			
<input checked="" type="checkbox"/> Institutional Investors Group on Climate Change (IIGCC)			
Your organisation's role in the initiative during the reporting period (see definitions)			
Advanced			
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]			
UBS AM is participating in the IIGCC Paris Aligned Investment Initiative where we're helping to strengthen the clarity and the call for an investment oriented climate change transition scenario. In addition, we are members of the IIGCC Climate Action 100+ Advisory Group for the mining sector and we are actively involved in Climate Action 100+ engagement activities in Europe with the oil & gas and utility sectors.			
<input type="checkbox"/> Interfaith Center on Corporate Responsibility (ICCR)			
<input checked="" type="checkbox"/> International Corporate Governance Network (ICGN)			
Your organisation's role in the initiative during the reporting period (see definitions)			
Moderate			
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]			
We monitored regular communications from ICGN and spoke at the 2019 ICGN conference on stewardship.			
<input checked="" type="checkbox"/> Investor Group on Climate Change, Australia/New Zealand (IGCC)			
Your organisation's role in the initiative during the reporting period (see definitions)			
Moderate			
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]			
We are actively involved in Climate Action 100+ engagement activities with the utility sector in Australia.			
<input checked="" type="checkbox"/> International Integrated Reporting Council (IIRC)			
Your organisation's role in the initiative during the reporting period (see definitions)			
Basic			
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]			
We monitored regular communications by IIRC. UBS Group AG published integrated report in 2017 and used the IIRC framework as a reference.			
<input checked="" type="checkbox"/> Investor Network on Climate Risk (INCR)/CERES			
Your organisation's role in the initiative during the reporting period (see definitions)			
Moderate			
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]			
We are actively involved in the Climate Action 100+ engagements with the oil & gas and utility sectors in the US. We have also been joining regular update calls by the Carbon Action engagement group.			
<input type="checkbox"/> Local Authority Pension Fund Forum			
<input type="checkbox"/> Principles for Financial Action in the 21st Century			
<input type="checkbox"/> Principles for Sustainable Insurance			
<input checked="" type="checkbox"/> Regional or National Social Investment Forums (e.g. UKSIF, EuroSIF, ASIFA, RIAS), specify			
Italian SIF: Swiss Sustainable Finance			
Your organisation's role in the initiative during the reporting period (see definitions)			
Advanced			
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]			
Italian SIF – (Basin) the collaborated with the Italian SIF to conduct a working on engaging with companies on climate change. Swiss Sustainable Finance – (Advanced): UBS AM represents UBS group as a Board Member to collaborate with other members to shape and inform on best practice and create supportive frameworks for the Swiss financial marketplace.			
<input type="checkbox"/> Responsible Finance Principles in inclusive Finance			
<input type="checkbox"/> Shareholder Association for Research and Education (Share)			
<input checked="" type="checkbox"/> United Nations Environmental Program Finance Initiative (UNEP FI)			
Your organisation's role in the initiative during the reporting period (see definitions)			
Advanced			
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]			
UBS has been a member since 1992. UBS AM is a member of the UNEP Finance Initiative's Property Working Group. 16 banks, including UBS, the UN Environment Programme Finance Initiative (UNEP FI), the Integrated Assessment Modelling Consortium (IAMC), and risk consultancies Oliver Wyman and Acclimatise began a collaboration of several years in 2018. The objective is to develop analytical tools that help banks define and disclose climate-related risks and opportunities as envisioned by the TCFD. This includes developing and further refining scenario-based stress testing methodologies. Now in its second phase, the UNEP FI TCFD working group for banks has grown to 35 banks and has expanded the development of these analytical tools to include a range of possible scenarios, further advancement on scenario-based stress testing methodologies, and standardisation between institutions on what defines climate-sensitive activities. These advancements aim for banks to more robustly identify and disclose exposure to climate-related risks and opportunities.			
<input checked="" type="checkbox"/> United Nations Global Compact			
Your organisation's role in the initiative during the reporting period (see definitions)			
Advanced			
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]			
UBS was among the 43 companies that first signed the UN Global Compact upon its launch in 2000 and is committed to its principles on human rights, labor standards, the environment and anti-corruption. We are also a member of the UN Global Compact Network Switzerland. UBS has comprehensive set of commitments and activities in place pertaining to the principles of the UN Global Compact.			
<input checked="" type="checkbox"/> Other collaborative organisation/initiative, specify			
SASB (Sustainable Accounting Standard Board)			
Your organisation's role in the initiative during the reporting year (see definitions)			

	Moderate		
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]		
	Our Head of Global Sustainable Equities represents UBS AM on the SASB Institutional Advisory Group.		
<input checked="" type="checkbox"/>	Other collaborative organisation/initiative, specify		
	UK Investor Forum		
	Your organisation's role in the initiative during the reporting year (see definitions)		
	Advanced		
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]		
	Participated in events and consultations organized by the Forum and provided funding to the Forum.		
<input checked="" type="checkbox"/>	Other collaborative organisation/initiative, specify		
	US Green Building Council		
	Your organisation's role in the initiative during the reporting year (see definitions)		
	Moderate		
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]		
	We have been members and participated in developing industry knowledge and best practice.		
<input checked="" type="checkbox"/>	Other collaborative organisation/initiative, specify		
	NAIEM (National Association of Real Estate Investment Managers) Sustainability and Investment Management		
	Your organisation's role in the initiative during the reporting year (see definitions)		
	Moderate		
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]		
	NAIEM (National Association of Real Estate Investment Managers) Sustainability and Investment Management (Moderate). We have been members and participated in developing industry knowledge and best practices. We regularly attend the annual NAIEM Sustainability conference.		
SS 19.2	Mandatory to Report, Voluntary to Disclose	Descriptive	PI 1
	Indicate approximately what percentage (+/- 5%) of your externally managed assets under management are managed by PRI signatories.		
	10%		
SS 19	Mandatory	Core Assessed	PI 4
SS 19.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.		
<input checked="" type="checkbox"/>	Yes		
SS 19.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.		
<input checked="" type="checkbox"/>	Provided or supported education or training programmes (this includes (a) to your RI support) Your education/training may be for clients, investment managers, actuaries, broker-dealers, investment consultants, legal advisors etc.)		
	Description		
	We have organised a number of client seminars during which we have provided an overview of our various ESG initiatives and practices. In addition, in the UK we facilitated an information session for industry professionals around the new Stewardship code in conjunction with the PRI.		
	Frequency of contribution		
	<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other		
<input checked="" type="checkbox"/>	Provided financial support for academic or industry research on responsible investment		
	Description		
	UBS AM is collaborating with select academic institutions on the development of science based impact measurement methodologies for listed equities. UBS AM is funding the research and is working closely together with the academics on development of the methodologies. The research was launched in February 2016.		
	Frequency of contribution		
	<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other		
<input checked="" type="checkbox"/>	Provided input and/or collaborated with academia on RI related work		
	Description		
	Examples of our published research on sustainable and impact investing topics are available on our website at https://www.ubs.com/global/en/research-managers/about-sustainable-impact-investing.html .		
	Frequency of contribution		
	<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other		
<input checked="" type="checkbox"/>	Encouraged better transparency and disclosure of responsible investment practices across the investment industry		
	Description		
	Our Global Sustainable Equity Lead Portfolio Manager, Boris Barboza, represents UBS on committees such as the Institutional Advisory Group for SASB (Sustainability Accounting Standards Board) as well as the Task Force on Climate-related Financial Disclosures. In time, we believe SASB's accounting standards will help inform globally accepted disclosure and reporting standards for all public companies.		
	Frequency of contribution		
	<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other		
<input checked="" type="checkbox"/>	Spoke publicly at events and conferences to promote responsible investment		
	Description		
	Members of the Sustainable and Impact Investing and the Global Sustainable Equities team regularly speak at conferences and events, either dedicated to responsible investment or mainstream investment conferences.		
	Frequency of contribution		
	<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other		
<input checked="" type="checkbox"/>	Wrote and published in-house research papers on responsible investment		
	Description		
	We have published a number of white papers on the subject of responsible investment, including - A Climate Primer: An Investors Introduction to Climate Change - China and Climate Change: Leading with Action - ESG: Do you or Don't you? - A global survey of institutional investors representing ~ €500 bn AUM - Collaborating for a Low-carbon World - Central Banks and Climate Change: Taking on the Challenge - A Changing Landscape: Evolving Tailwinds - 2019 Annual Stewardship Report		
	Frequency of contribution		
	<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other		
<input type="checkbox"/>	Encouraged the adoption of the PRI		
<input checked="" type="checkbox"/>	Reported to RI related consultations by non-governmental organisations (NGOs, PRI, etc.)		
	Description		
	Please refer to the policy dialogue examples available within our Annual Stewardship Report for further detail on our RI related consultations with non-governmental organisations. The report is available via the following website: https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html		
	Frequency of contribution		
	<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other		
<input checked="" type="checkbox"/>	Wrote and published articles on responsible investment in the media		
	Description		
	In June 2015 in collaboration with Responsible Investor magazine, UBS AM published the results of an eighteen-month global survey of attitudes toward responsible investment among institutional investors, ESG: Do you or don't you. The survey included over 400 investors representing more than €11 trillion in combined assets under management (AUM). It received extensive press coverage, including The Financial Times, The Telegraph, NZZ and Barron's. The following month UBS AM hosted a Swiss media roundtable in which Michael Boldingier and Francis Condon discussed our climate approach, generating coverage in a number of publications, including Handelszeitung and L'Agefi. Separately, articles were published in NZZ: Die Banken und der Klimawandel - und Handhabung - ESG Strategien werden richtig: During the course of the year, highlighting our climate approach. Similarly, in April we contributed to Pensions & Investments magazine based on our Climate Primer, published at the start of the year. In November 2015, Valérie Piani and Marissa Benaroyo co-authored a chapter, 'So in the listed equity market (big companies)' in Sustainable Finance, a book published by the Italian Savings Bank Association. During the course of the year, members of the Sustainable and Impact Investing Team were extensively quoted across media outlets which included the FT, Wall Street Journal, Washington Post, Barron's, The Telegraph, Finews, PFI and Reuters.		
	Frequency of contribution		
	<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other		
<input checked="" type="checkbox"/>	A member of PRI advisory committee/ working groups, specify		
	Description		
	UBS AM has been a member of the SSBs in Active Stewardship working group and provided a case study example, available on the PRI website. We are also a member of the PRI Academic network Advisory Group. Finally, we are a member of the PRI Lead income engagement working group.		
	Frequency of contribution		
	<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other		
<input type="checkbox"/>	On the Board of, or officially advising, other RI organisations (e.g. local SIPs)		
<input type="checkbox"/>	Other, specify		
	No		
SS 11	Voluntary	Additional Assessed	PI 4.5.6

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various property specific improvements. Our quantitative goals include reducing residual waste, increasing the recycling rate by 50% and reducing the water consumption of our properties by monitoring consumption and developing specific water saving measures in different properties.

We measure the sustainability performance of our properties and funds with external (GRESB Performance Indicator) benchmarks and certifications (BREEAM, LEED, Energy Star, DGNB, Movergel). Based on these results we are able to define specific measures for each property. A holistic approach on sustainability also includes strategic and qualitative objectives. We improve the sustainability performance of our business by implementing action plans and best practice measures.

In 2019, REFM submitted 20 funds to the GRESB Real Estate and Infrastructure Assessments, comprising all of our flagship vehicles and representing circa 95% of our direct pooled real estate and infrastructure vehicles globally.

- ☐ Sustainable forestry
- ☐ Sustainable agriculture
- ☐ Microfinance
- ☐ SME financing
- ☐ Social enterprises / community investing
- ☒ Affordable housing

Asset class invested	
<input type="checkbox"/> Listed equity	
<input type="checkbox"/> Fixed income - SSA	
<input type="checkbox"/> Fixed income - Corporate (financial)	
<input type="checkbox"/> Fixed income - Corporate (non-financial)	
<input type="checkbox"/> Fixed income - Securitised	
<input type="checkbox"/> Private equity	
<input checked="" type="checkbox"/> Property	
30Percentage of AUM (+/- 5%) per asset class invested in the area	
<input type="checkbox"/> Infrastructure	
<input type="checkbox"/> Hedge funds	
<input type="checkbox"/> Fund of hedge funds	
<input type="checkbox"/> Other (1)	

Brief description and measures of investment
While this is not tracked for all funds globally due to strategy differences, the fund with the highest investment in multi-family does track the investments that are subject to rent control, affordability requirements and rent stabilization.
The corresponding percent (by value) of that funds multi-family investments is approximately 26%.

- ☐ Education
- ☒ Global health

Asset class invested	
<input checked="" type="checkbox"/> Listed equity	
30Percentage of AUM (+/- 5%) per asset class invested in the area	
<input type="checkbox"/> Fixed income - SSA	
<input type="checkbox"/> Fixed income - Corporate (financial)	
<input type="checkbox"/> Fixed income - Corporate (non-financial)	
<input type="checkbox"/> Fixed income - Securitised	
<input type="checkbox"/> Private equity	
<input type="checkbox"/> Property	
<input type="checkbox"/> Infrastructure	
<input type="checkbox"/> Hedge funds	
<input type="checkbox"/> Fund of hedge funds	
<input type="checkbox"/> Other (1)	

Brief description and measures of investment
With respect to our Global Sustainable Impact Equity Strategy, we aim to invest in companies that provide solutions to significant global challenges, having in on climate change, air pollution, clean water and water scarcity, treatment of disease, alleviation of poverty and food security through the impact of their products and services.
In addition, our Long Term Themes Equity strategy seizes thematic opportunities by investing in companies whose products and services are solutions to megatrend challenges, defined as population growth, ageing and urbanization.

Water

Asset class invested	
<input checked="" type="checkbox"/> Listed equity	
30Percentage of AUM (+/- 5%) per asset class invested in the area	
<input type="checkbox"/> Fixed income - SSA	
<input type="checkbox"/> Fixed income - Corporate (financial)	
<input type="checkbox"/> Fixed income - Corporate (non-financial)	
<input type="checkbox"/> Fixed income - Securitised	
<input type="checkbox"/> Private equity	
<input type="checkbox"/> Property	
<input checked="" type="checkbox"/> Infrastructure	
40Percentage of AUM (+/- 5%) per asset class invested in the area	
<input type="checkbox"/> Hedge funds	
<input type="checkbox"/> Fund of hedge funds	
<input type="checkbox"/> Other (1)	

Brief description and measures of investment
With respect to our Global Sustainable Impact Equity Strategy, we aim to invest in companies that provide solutions to significant global challenges, having in on climate change, air pollution, clean water and water scarcity, treatment of disease, alleviation of poverty and food security through the impact of their products and services.
Our Infrastructure Funds hold investments in a water utility firm. Since acquisition, we have implemented several long term incentive plans focusing on areas of operation and asset improvement and customer service.

Other area, specify

Climate Change

Asset class invested	
<input checked="" type="checkbox"/> Listed equity	
30Percentage of AUM (+/- 5%) per asset class invested in the area	
<input type="checkbox"/> Fixed income - SSA	
<input type="checkbox"/> Fixed income - Corporate (financial)	
<input type="checkbox"/> Fixed income - Corporate (non-financial)	
<input type="checkbox"/> Fixed income - Securitised	
<input type="checkbox"/> Private equity	
<input type="checkbox"/> Property	
<input type="checkbox"/> Infrastructure	
<input type="checkbox"/> Hedge funds	
<input type="checkbox"/> Fund of hedge funds	
<input type="checkbox"/> Other (1)	

Brief description and measures of investment
Our Climate Aware Fund Based Equity investment portfolio specifically focuses on climate-related risks and opportunities. We identify and underweight companies exposed to climate risks through large GHG emissions, high GHG intensity, negative emissions reduction trends, as well as power generators dependent on coal, and extractive industries companies with large fossil fuel reserves. We also identify and overweight companies exposed to climate risks especially through their generation of renewable energy or support of renewable energy generation. The strategy's investments are selected using a transparent, rules based and optimised portfolio construction methodology. This includes proprietary calculation of a Glide Path Probability which assesses how individual companies compare to peers in their convergence on a two degree scenario.

No

SS 16	Mandatory	Description	General
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SS 16.1 Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.	
Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Money market instruments	The US\$1AM ESG money market portfolio seek to provide maximum current income as is consistent with liquidity and preservation of capital while giving consideration to select environmental, social, and governance criteria into the investment process. The sustainable analysis is integrated into the credit research process and performed at the issuer level where the credit analysts evaluate 1) the credit profile of an issuer and, 2) the sustainable profile of the issuer. Our sustainable investing analysis is a proprietary methodology that uses both internal and external data to evaluate the quality of sustainable practices employed by issuers. Credit analysts assign an ESG score of 1-5 to each issuer, based on the quality and commitment to ESG. The combination of the credit and SI analysis forms the basis of portfolio construction, focusing on issuers that contribute to meeting the credit profile and ESG profile for the portfolio.
Other (1) (as defined in Organisational Overview module)	Our equity, fixed income, real estate, infrastructure and private equity investment capabilities can be combined into customised multi-asset solutions. In this case, they incorporate the ESG processes of the underlying asset classes as described in each of the specific PRI modules.

SS 17	Mandatory	Description	General
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SS 17.1 Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.	
Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Equity	ESG is an important part of our overall due diligence process and information on the target funds' ESG policies are collected as part of the due diligence questionnaire the target fund managers complete. In addition to reviewing a fund's ESG policies, we will also consider how it incorporates these policies into its fund strategy, how it reports its ESG strategy to its investors, what relevant laws and regulations impact the fund, and any sustainability initiatives the fund is already participating in. This information is then incorporated into the investment decision making process.
Property	ESG is an important part of our overall due diligence process and information on the target funds' ESG policies are collected as part of the due diligence questionnaire the target fund managers complete. In addition to reviewing a fund's ESG policies, we will also consider how it incorporates these policies into its fund strategy, how it reports its ESG strategy to its investors, what relevant laws and regulations impact the fund, and any sustainability initiatives the fund is already participating in. This information is then incorporated into the investment decision making process. We ensure ESG forms part of our due diligence process because we recognize the value of proactive and positive ESG policies. The benefits of these may include: limiting the risk of regulatory non-compliance, maintaining properties' competitive position in the market, increasing the appeal of a property to tenants and purchasers, and in some cases, reducing expenses and improving returns. Among the underlying funds, the majority have implemented ESG policies, are signatories to the PRI and participate in the GRESB assessments.
Infrastructure	We thoroughly consider how a manager incorporates ESG policies into firm and fund strategy, how it reports on ESG topics and issues to investors, on the relevant laws and regulations impacting to fund, any sustainability initiatives embraced by the manager, etc. This information is then incorporated into the investment decision making process. For example, we will not consider fund managers with investment strategies which include certain sub-sectors that are deemed environmentally unsuitable, or operating business in countries that are not able to demonstrate their commitments to human rights, etc.

SS 18	Voluntary	Description	General
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SS 18.1 Indicate whether any specific features of your approach to responsible investment are particularly innovative.	
Yes	

SS 18.2 Describe any specific features of your approach to responsible investment that you believe are particularly innovative.	
We use the following features of our approach to be particularly innovative: <ul style="list-style-type: none">Truly integrated sustainable research platform that enables our Equity and Fixed Income investment teams to collaborate and systematically integrate material ESG risks and opportunities into fundamental research.Dedicated team of 18 SI professionals, with an average of 17 years' experience and extensive sector knowledge to support our bottom-up approach.Ability to leverage the breadth and depth of UBS AM's business divisions to ensure cross-divisional knowledge sharing of SI know-how and best practices.A focus to go beyond the simple use of third party ESG scores. Our integrated investment assessments incorporate a forward looking view of material sustainability risks and opportunities from external data, company publications, company meetings, qualitative assessments, and top-down and bottom-up research from our SI Research Analysts and Financial Analysts.A structured stewardship approach that connects SI research, engagement and proxy voting to drive outcomes for our clients.Active involvement in thought leadership, shareholder groups and industry working groups including Climate Action 100 and TCFD.	

Thematic engagement program:

Our firm-wide stewardship strategy includes a thematic engagement program on climate change based on the recommendations of the TCFD. Through dialogue with investee companies, we encourage companies to demonstrate:

- Governance ensuring climate change considerations are overseen by the Board
- Risk management addressing the uncertainties arising from climate change
- Setting considerations taking into account the outcomes of climate analysis, the understanding of the climate resilience of the business, and the specific actions that the company commits to in aligning with a low carbon economy
- Targets and metrics providing meaningful and ambitious measures of performance
- Responsible advocacy on climate change policy

Consistent approach to climate-related voting

We expect companies to have a strategy for reducing carbon emissions, to be clear about goals, and to report on progress. We will generally support proposals that require companies to report to shareholders, at a reasonable cost and excluding proprietary data, information concerning their potential liability from operations that contribute to global warming, their policy on climate risks and opportunities and specific targets to reduce emissions. In tandem with engagement, we believe that our voting activities allow us to reinforce the messages communicated to management during our various dialogues and, ultimately, express our dissent if the objectives set out at the start of our engagement with a given company are not met.

In November 2019 Share Action (the responsible investment campaign group) ranked UBS AM as the leading asset manager for voting on climate resolutions. They examined the shareholder votes cast over 50 of the world's largest asset managers on a total of 65 proposals that would speed up corporate action on climate change, including emissions reduction targets, climate reporting and governance, and corporate lobbying.

Climate Aware Strategy

UBS AM has a 3+ year track record of a dedicated climate methodology that has been applied to several underlying equity indices/products. The strategy was developed in conjunction with a UK pension fund. It aims to meet current investment goals while taking into account climate change objectives such as lower-carbon footprint, reduced exposure to fossil fuel reserves, and greater exposure to renewable energy opportunities. By including engagement, it has also been designed to be forward looking. Modelling climate change, especially in the context of equity and fixed income portfolios, means using sophisticated assumptions around the uncertainties of climate change, given we don't yet know its full implications. To add clarity to our own modelling, UBS has been working in several innovative areas. For example, we look at factors like supply chain partners, and improvements to qualitative data, such as greater levels of disclosure by companies around target emissions. As data availability improves we expect the opportunities for integrating these types of metrics into portfolios to increase. More recently, this methodology has also been transported to fixed income indices, and we expect to offer climate aware fixed income solutions in the near future.

Dedicated engagement program for the Climate Aware Strategy

In 2019, we have reported on our dedicated engagement program that supports that strategy through a focus list of 50 companies that pose the great risks from a climate perspective.

While UBS AM has interests across a wide range of industries, we identified the energy and utilities sectors as particularly exposed to climate change transition. Our approach was unique, understanding how the companies we invest in address climate risks and with direct engagement, influencing real change. In order to ensure a systematic approach to our engagement with companies, we developed a scorecard analysis based on the TCFD that reveals interesting insights on the current practice on climate change by the and the gaps we need to address. We scored companies on eight factors: responsiveness, governance, risk management, strategy, performance, targets, lobbying and disclosure.

No

SS 19	Mandatory	Core Assessed	PRG & 6
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SS 19.1 Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.	
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Listed equity - Incorporation	
Do you disclose? <input type="radio"/> We do not proactively disclose it to the public and/or clients/beneficiaries <input type="radio"/> We disclose to clients/beneficiaries only <input checked="" type="radio"/> We disclose it publicly	
The information disclosed to clients/beneficiaries is the same <input type="radio"/> Yes <input checked="" type="radio"/> No	
Disclosure to public and URL <input checked="" type="checkbox"/> Broad approach to ESG incorporation <input type="checkbox"/> Detailed explanation of ESG incorporation strategy used Not/when requested https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html	Disclosure to clients/beneficiaries <input type="checkbox"/> Broad approach to ESG incorporation <input checked="" type="checkbox"/> Detailed explanation of ESG incorporation strategy used Quarterly or more frequently

Listed equity - Engagement	
Do you disclose? <input type="radio"/> We do not disclose to either clients/beneficiaries or the public <input type="radio"/> We disclose to clients/beneficiaries only <input checked="" type="radio"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same <input type="radio"/> Yes <input checked="" type="radio"/> No	
Disclosure to public and URL <input checked="" type="checkbox"/> Details on the overall engagement strategy <input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input checked="" type="checkbox"/> Breakdown of engagements by region <input checked="" type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information Annually https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html	Disclosure to clients/beneficiaries <input checked="" type="checkbox"/> Details on the overall engagement strategy <input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input checked="" type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information Quarterly or more frequently

Listed equity - (Proxy) Voting	
Do you disclose? <input type="radio"/> We do not disclose to either clients/beneficiaries or the public <input type="radio"/> We disclose to clients/beneficiaries only <input checked="" type="radio"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same <input type="radio"/> Yes <input checked="" type="radio"/> No	
Disclosure to public and URL <input checked="" type="checkbox"/> Disclose all voting decisions <input type="checkbox"/> Disclose some voting decisions <input type="checkbox"/> Only disclose abstentions and votes against management Quarterly or more frequently https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html	Disclosure to clients/beneficiaries <input checked="" type="checkbox"/> Disclose all voting decisions <input type="checkbox"/> Disclose some voting decisions <input type="checkbox"/> Only disclose abstentions and votes against management Quarterly or more frequently

Fixed income	
Do you disclose? <input type="radio"/> We do not disclose to either clients/beneficiaries or the public <input type="radio"/> We disclose to clients/beneficiaries only <input checked="" type="radio"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same <input type="radio"/> Yes <input checked="" type="radio"/> No	
Disclosure to public and URL <input checked="" type="checkbox"/> Broad approach to RI incorporation <input type="checkbox"/> Detailed explanation of RI incorporation strategy used Annually https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html	Disclosure to clients/beneficiaries <input checked="" type="checkbox"/> Broad approach to RI incorporation <input type="checkbox"/> Detailed explanation of RI incorporation strategy used Not/when requested

Property	
Do you disclose? <input type="radio"/> We do not disclose to either clients/beneficiaries or the public <input type="radio"/> We disclose to clients/beneficiaries only <input checked="" type="radio"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same <input type="radio"/> Yes <input checked="" type="radio"/> No	
Disclosure to public and URL <input checked="" type="checkbox"/> ESG information on how you select property investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments <input checked="" type="checkbox"/> Information on your property investments' ESG performance <input type="checkbox"/> Other Not/when requested https://www.ubs.com/global/en/asset-management/investment-capabilities/real-estate.html#responsibleinvesting https://www.ubs.com/global/en/asset-management/investment-capabilities/real-estate.html#responsibleinvesting	Disclosure to clients/beneficiaries <input checked="" type="checkbox"/> ESG information on how you select property investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments <input checked="" type="checkbox"/> Information on your property investments' ESG performance <input type="checkbox"/> Other Annually

Infrastructure	
Do you disclose? <input type="radio"/> We do not disclose to either clients/beneficiaries or the public <input type="radio"/> We disclose to clients/beneficiaries only <input checked="" type="radio"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same <input type="radio"/> Yes <input checked="" type="radio"/> No	
Disclosure to public and URL <input checked="" type="checkbox"/> ESG information on how you select infrastructure investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments <input type="checkbox"/> Information on your infrastructure investments' ESG performance Annually https://www.ubs.com/global/en/asset-management/investment-capabilities/real-estate.html#responsibleinvesting https://www.ubs.com/global/en/asset-management/investment-capabilities/real-estate.html#responsibleinvesting	Disclosure to clients/beneficiaries <input checked="" type="checkbox"/> ESG information on how you select infrastructure investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments <input checked="" type="checkbox"/> Information on your infrastructure investments' ESG performance Annually

Hedge Funds	
Do you disclose? <input type="radio"/> We do not disclose to either clients/beneficiaries or the public <input checked="" type="radio"/> We disclose to clients/beneficiaries only <input type="radio"/> We disclose to the public	
Disclosure to clients/beneficiaries	

	<div>Continue to details page</div> <div><div><input checked="" type="checkbox"/> Broad approach to RI incorporation for all strategies</div><div><input type="checkbox"/> Detailed explanation of RI incorporation for each strategy used</div></div> <div>All feedback requested</div>
55 Checks	Checks
<input checked="" type="checkbox"/> If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.	

LE 01	Mandatory	Gateway	FR 1
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LE 01.1 Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities, and the breakdown of your actively managed listed equities by strategy or combination of strategies.

☐ Screening alone (i.e., not combined with any other strategies)
☐ Thematic alone (i.e., not combined with any other strategies)
☐ Integration alone (i.e., not combined with any other strategies)
☒ Screening and integration strategies

Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5%

☐ Thematic and integration strategies
☒ Screening and thematic strategies
☒ All three strategies combined

Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5%

☐ We do not apply incorporation strategy

LE 01.3 If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used [Optional]

The ESG Risk Dashboard is used across all active equity teams at UBS AG. We have a range of distinct investment processes, and the Sustainable Investment Research team works across the investment teams, supporting them to ensure best practice.

We divide assets into two main categories where the application of our ESG incorporation strategy differs:

- ESG Integrated strategies** are strategies where the portfolio manager uses material ESG factors into the financial analysis.
- Sustainability focused strategies**, where the investment process is designed around sustainability considerations with direct implications on portfolio construction constraints and universe definition.

In both categories, the ESG Material Issues Framework, the ESG Risk Dashboard, the ESG Risk Signal, and the ESG Consensus Score are leveraged throughout the investment process by portfolio managers and financial analysts as described in LE 01.2. For Sustainability focused strategies, these tools are used to fix boundaries for investment universe definition and portfolio construction constraints in terms of single stock ESG profile (based on the ESG Consensus Score and the ESG Risk Signal) and the portfolio's average ESG profile (based on the ESG Consensus Score and ESG Signals).

LE 02	Voluntary	Additional Assessed	FR 1
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LE 02.1 Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

☒ Raw ESG company data

☒ ESG research provider
☐ Self-side

☒ In-house – specialised ESG analyst or team
☒ In-house – analyst or portfolio manager

☒ Company-related analysis or ratings

☒ ESG research provider
☐ Self-side
☒ In-house – specialised ESG analyst or team
☒ In-house – analyst or portfolio manager

☒ Sector-related analysis or ratings

☒ ESG research provider
☐ Self-side
☒ In-house – specialised ESG analyst or team
☐ In-house – analyst or portfolio manager

☒ Country-related analysis or ratings

☒ ESG research provider
☐ Self-side
☐ In-house – specialised ESG analyst or team
☐ In-house – analyst or portfolio manager

☒ Screened stock list

☒ ESG research provider
☐ Self-side
☐ In-house – specialised ESG analyst or team
☐ In-house – analyst or portfolio manager

☒ ESG issue-specific analysis or ratings

☒ ESG research provider
☐ Self-side
☒ In-house – specialised ESG analyst or team
☐ In-house – analyst or portfolio manager

☐ Other, specify

LE 02.3 Indicate whether you incentivise brokers to provide ESG research.

☒ Yes

LE 02.3 Describe how you incentivise brokers.

☐ We incentivise brokers to provide ESG research through internal broker vote.

☐ No

LE 03	Voluntary	Additional Assessed	FR 1
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LE 03.1 Indicate whether your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.

☒ Engagement

☒ We have a systematic process to ensure the information is made available.
☐ We occasionally make this information available.
☐ We do not make this information available.

☒ (Proxy) voting

☒ We have a systematic process to ensure the information is made available.
☐ We occasionally make this information available.
☐ We do not make this information available.

LE 03.2 Additional information [Optional]

We maintain a comprehensive database of our company interactions in order to share information internally, review progress against defined objectives over time, and follow up on any issues that have been identified. This tracking system allows us to link engagement conversations with proxy voting decisions and the investment process (including providing inputs for decisions on overweighting, underweighting, and eventually selling).

Research produced by investment teams is hosted on the same platform. Our financial analysts consider ESG components and complete ESG specific questions in their company research notes and discuss their analysis with portfolio managers. If an ESG risk is identified from the ESG Risk Signal, the financial analysts must explain whether, and to what extent, they agree with the risk signal and if there is potential to engage with company representatives to mitigate that risk.

LE 04	Mandatory	Core Assessed	FR 1
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LE 04.1 Indicate and describe the type of screening you apply to your internally managed active listed equities.

☒ Negative/exclusionary screening

☒ Product
☒ Activity
☒ Sector
☒ Country/geographic region
☐ Environmental and social practices and performance
☐ Corporate governance

Description

UBS Group has set standards in product development, investments, financing and supply chain management decisions, which include the avoidance of controversial activities and other areas of concern UBS will not engage in, or will only engage in under stringent criteria. As such, UBS AG will not invest 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.

In addition, for Sustainability focused strategies, exclusions on alcohol, adult entertainment and coal are applied.

Finally, we can exclude any documented controversial activity, including alcohol, gaming, or GMOs based on client preferences. These exclusions are either based on particular sector classifications or based on the percentage of company revenues derived from particular activities.

☒ Positive/best-in-class screening

☒ Product
☒ Activity
☐ Sector
☐ Country/geographic region
☐ Environmental and social practices and performance
☐ Corporate governance

Description

The UBS AM Sustainability focused strategies (where the investment process is designed around sustainability considerations, with direct implications on portfolio construction constraints and universe definition) utilize a portfolio construction process that leads to a better sustainability profile than the benchmark. These strategies are primarily positive screening, seeking to invest in companies with strong sustainability profiles. By way of examples, the UBS AM Global Sustainable Equities Team's investment philosophy combines fundamental security analysis with ESG integration to identify companies that they think are attractively valued and that also rank well on sustainability metrics as they believe these characteristics are the hallmarks of businesses that generate shareholder value.

☒ Norms based screening

☒ UN Global Compact Principles
☐ The UN Guiding Principles on Business and Human Rights
☐ International Labour Organization Conventions
☐ United Nations Convention Against Corruption
☐ OECD Guidelines for Multinational Enterprises
☐ Other, specify

Description

In the UBS AM ESG integrated strategies (where the portfolio manager uses material ESG factors in the financial analysis), we implement a norms based screening approach such that investments are screened based on whether or not they align with international standards and norms such as UN Global Compact. For this we use a selected service provider to develop a list of companies that are seen as breaching one or more of the principles. Cases are assessed by our Sustainable Investment Research and Stewardship teams and, where necessary, we initiate engagement to ensure that companies effectively close and remedy identified breaches and both communicate with stakeholders and ensure that they have addressed any management failures. Cases are escalated for a discussion on exiting the position when we consider that the engagement objectives have not been met.

LE 04.2 Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.

We use an external advisor to identify companies involved in the production, sale or distribution of cluster munitions and anti-personnel mines. The firm's Sanctions Compliance Committee issues a list of affected companies based on information provided by the external advisor. The list is updated periodically. Changes are implemented by the responsible portfolio managers and trading, and communicated to clients.

LE 05	Mandatory	Core Assessed	FR 1
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LE 05.1 Indicate which processes your organisation uses to ensure ESG screening is based on robust analysis.

☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies.
☒ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/Ri staff, the internal audit function or similar.
☒ Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
☐ Rating platform blocking / restricting flagged securities on the black list.
☒ A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions.
☒ A periodic review of internal research is carried out.
☒ Review and evaluation of external research providers.
☐ Other, specify
☐ None of the above

LE 05.2 Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part of your ESG screening strategy.

☐ <10%
☐ 10-50%
☐ 51-90%
☒ >90%

LE 05.3 Indicate how frequently third party ESG ratings are updated for screening purposes.

☒ Quarterly or more frequently
☐ Annually
☐ Biannually
☐ Less frequently than annually

<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%		Proportion of actively managed listed equity exposed to investment analysis	
<input checked="" type="checkbox"/> Analysis of company strategy			
<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%		Proportion of actively managed listed equity exposed to investment analysis	
<input checked="" type="checkbox"/> Portfolio weighting			
<input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> 51-90% <input type="radio"/> >90%		Proportion of actively managed listed equity exposed to investment analysis	
<input type="checkbox"/> Security sensitivity and/or scenario analysis <input checked="" type="checkbox"/> Fair value/fundamental analysis			
<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%		Proportion of actively managed listed equity exposed to investment analysis	
<input type="checkbox"/> Other, specify:			
LB 10.3 Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.			
<input checked="" type="checkbox"/> Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows) <input type="checkbox"/> Adjustments to valuation model variables (discount rates, terminal value, perpetuity growth rates) <input type="checkbox"/> Valuation multiples <input checked="" type="checkbox"/> Other adjustments, specify: Risk assessments using the ESG Risk Dashboard and feedback process from PMs.			
LB 10.3 Describe how you integrate ESG information into portfolio weighting.			
Our portfolio managers leverage the analytical platform of UBS AM including the Global Intensive Value Equity Research platform of approximately 90 analysts or their dedicated analysts ESG information is part of the analysts' qualitative research and reflected in company valuation. The ESG Risk Dashboard is used to flag higher risk companies from an ESG perspective. This can have implications on the weighting of the stock in the portfolio as well as the decision to keep or sell the stock depending on the nature of the risks identified.			
For the Climate Aware strategy, the investment process includes environmental data. Importantly, we measure the companies' goal path probabilities. We calculate the probability that a given company will achieve its associated industry target. We consider the qualitative, forward looking indicators of a company's overall commitment to reducing its CO2 footprint and score them on a simple 0 or 1 scale. We refer to a company's total score on these indicators as its Low Carbon Commitment Score. Essentially by incorporating the forward looking evidence we improve our confidence in our assessment of whether a given company will achieve its target. We refer to this refined, forward looking measure as a company's goal path probability.			
LB 10.4 Describe the methods you have used to adjust the income forecast/valuation tool.			
As noted above, UBS AM's portfolio managers and analysts have in-depth knowledge of the companies they cover and the qualitative assessment of companies and subsequent valuation model take into consideration ESG information. The valuation reflects the assumptions used by the analysts. Company research notes must have a detailed income statement, balance sheet and fund flow projections, along with details of the investment thesis and signposts for monitoring the thesis as it unfolds. Across our active global equity platform, analysts also are required to answer several ESG questions when completing company research notes which require them to address sustainability risks and to determine the impact that it may have on their fundamental equity analysis.			
LB 11	Mandatory to Report, Voluntary to Disclose	Describe	PM 1
LB 11.1 Indicate if you manage passive listed equity funds that incorporate ESG factors in the index construction methodology.			
<input checked="" type="radio"/> Yes <input type="radio"/> No			
LB 11.2 Indicate the percentage of your total passive listed equity funds for which ESG factors are incorporated in the index construction methodology.			
<input checked="" type="radio"/> >10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input type="radio"/> >90%			
LB 11.3 Specify index fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategies you apply.			
<input checked="" type="checkbox"/> Index/Fund 1			
Index/fund name and brief description of ESG methodology		ESG incorporation strategy	
UBS AM is one of the largest providers of sustainable ETFs in Europe. UBS was instrumental in the development of MSCI SRI Index and has strong relationships with the MSCI team on various ESG related topics. UBS AM manages and markets the following equity ETFs with ESG considerations: UBS (Lux) MSCI World SRI UCITS ETF UBS (Lux) MSCI EMU SRI UCITS ETF UBS (Lux) MSCI USA SRI UCITS ETF UBS (Lux) MSCI Pacific SRI UCITS ETF UBS (Lux) MSCI EM SRI UCITS ETF UBS (Lux) MSCI Japan SRI UCITS ETF UBS (Lux) MSCI World ex-Australia Ethical ETF UBS (Lux) MSCI World ex-Australia Ethical ETF UBS (Lux) MSCI Europe Ethical ETF UBS (Lux) MSCI USA Ethical ETF UBS (Lux) MSCI Japan Ethical ETF UBS (Lux) MSCI Asia APEX SRI Ethical ETF		<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG factors <input type="checkbox"/> Other	
<input checked="" type="checkbox"/> Index/Fund 2			
Index/fund name and brief description of ESG methodology		ESG incorporation strategy	
Climate Aware rules-based solution: In February 2017 we launched the rules-based UBS Life Climate Aware World Equity Fund. The Fund aims to deliver returns broadly in line with the FTSE Developed Index and will increase or decrease exposure to constituents of the index based on their expected contributions towards climate change. We subsequently launched a Swiss-domiciled Climate Aware fund and an Irish-domiciled Climate Aware Tax Transparent Fund. As at 31 December 2016, we managed more than USD 1.1 billion AUM in our Climate Aware rules-based strategy. The Climate Aware specifically focuses on climate-related risks and opportunities while at the same time providing index-like risks and returns. The strategy applies positive and negative 'bets' related to climate change aspects, while aiming to deliver returns broadly in line with the underlying market cap weighted global equity index. A program of active engagement underpins the methodology which looks to provide deeper insights to the actions and progress which companies are making toward a climate smart future. It is this combination of portfolio adjustment and active engagement which defines the 'Climate Aware' framework. This methodology has been applied to feed income indices, allowing us to offer climate aware fixed income solutions as well.		<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG factors <input type="checkbox"/> Other	
<input checked="" type="checkbox"/> Index/Fund 3			
Index/fund name and brief description of ESG methodology		ESG incorporation strategy	
UBS ETF Global Gender Equality UCITS ETF: The UBS Global Gender Equality ETF is a joint collaboration between UBS AM and UBS Wealth Management. The ETF tracks the Solactive Equileap Global Gender Equality 100 Leaders index, an index of 100 global companies with a strong record in gender diversity and sustainability. The companies were selected based on 19 diversity criteria, including equal compensation and work-life balance, transparency and accountability, gender balance, and sustainability policies. With its broad criteria, the index provides a higher overall gender equality score than other Global Gender Equality indices, whilst providing stable risk-adjusted performance.		<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG factors <input type="checkbox"/> Other	
<input type="checkbox"/> Index/Fund 4 <input type="checkbox"/> Index/Fund 5			
LB 11.4 Additional information (Optional)			
Within Systematic: 4 index investments, we have extensive experience and expertise in incorporating sustainability factors in rules-based and index strategies. We have been managing index portfolios with ESG/SRI stock exclusion lists for more than ten years, and as at 31 December 2016, 49% of our total index AUM was managed in segregated mandates, many of which with custom stock exclusion lists. Across our total index book of business, more than USD 275 billion AUM with ESG components, including more than USD 31 billion AUM in index portfolios tracking dedicated ESG/SRI standard and custom indices. We apply customisation not only on segregated mandates, but also construct new indices capturing specific thematic factors to be used as benchmarks for our pooled funds and ETFs. As a result of our in-depth research in the sustainable investing space, we have been instrumental in the development of MSCI SRI Index and have strong relationships and maintain dialogue with index providers and ESG database providers on ESG-related topics. In 2017, we broadened our offering of sustainable ETFs with the launch of funds tracking MSCI ESG Universal indices as well as Solactive Equileap Global Gender Equality 100 Leaders index, which we developed in collaboration with the index provider. In 2018, we published a book together with MSCI on the developments we saw in the ESG-themed rules-based space across asset classes. In fixed income indexing, UBS was the first provider to launch an ETF on the MSCI Barclays corporate bond index. In addition to the ETF vehicles, UBS AM has developed various ESG related index and rules-based strategies integrating client-specific requirements.			
LB 12	Voluntary	Describe	PM 1
LB 12.1 Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.			
<input checked="" type="checkbox"/> Screening			
Describe any reduction in your starting investment universe or other effects. ESG integration requires a mitigation of sustainability risks, and this risk mitigation entails a prudent consideration of material risk factors that could have a negative impact on the company's performance. Avoiding significant material sustainability risks in the portfolio can, in turn, help strategies avoid companies with elevated potential for event risk, which in turn can lead to significant headwinds in portfolio performance. Importantly, this process is not driven by ethical principles or norms. The ESG Risk Dashboard is an efficient means of identifying companies with severe ESG risks. Companies identified in this way then require more in-depth work to assess the material impact of those risks which have been highlighted. With respect to our Sustainability focused strategies, we typically exclude companies exposed to tobacco, adult entertainment and coal, and other controversial topics can be eliminated from the universe as directed by clients.			
Specify the percentage reduction (in %): %			
<input checked="" type="checkbox"/> Thematic			
Describe any alteration to your investment universe or other effects. Our Long Term Themes strategy includes companies in the investable universe which have products that are addressing long-term sustainability themes. We then combine this process with a screening on the ESG performance of the company in order to ensure a combination of strong sustainability management practices in the thematic stocks that qualify for the investment universe. Each holding in the Global Sustainable Impact Equity strategy must offer a compelling impact thesis, investment thesis and rationale for price appreciation and must rank highly using our sustainability scoring methodology or must have the potential for improvement via engagement. Our impact thesis is based upon alignment of a company's products and services to the impact categories of concern and the potential magnitude of the impact generated by impact aligned revenue. The goal of the Climate Aware strategy is to achieve benchmark-like risk and return characteristics in addition to a lower carbon footprint. The primary means to achieve this is not altering the investment universes, but overweighting companies that create a positive change to the carbon intensity of the global economy and underweighting those that appear detrimental to this goal.			
<input checked="" type="checkbox"/> Integration of ESG factors			
Select which of these effects followed your ESG integration. <input checked="" type="checkbox"/> Reduce or prioritise the investment universe <input checked="" type="checkbox"/> Overweight/underweight at sector level <input checked="" type="checkbox"/> Overweight/underweight at stock level <input checked="" type="checkbox"/> Buy/sell decisions <input type="checkbox"/> Engagement / Voting <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			
<input checked="" type="checkbox"/> Index incorporating ESG factors (for passively managed funds)			
Describe the influence on composition or other effects. The integration process utilizing the ESG Risk Dashboard and investment analysis company research notes leads portfolio managers either to engage with companies to mitigate significant ESG risks and therefore work toward improvements, reduce their position or sell the security, or to maintain and justify their holding when the upside potential compensates for the ESG risks identified. Consequently, the integration process underlies the potential decisions of the portfolio managers in the investment process and outcomes. Our investment process for passively managed equity portfolios does not incorporate ESG considerations unless the used benchmark itself applies ESG considerations or a ESG IR is applied. One example for this would be the MSCI SRI ETF series of strategies. Quantifying the sustainability profile of such portfolios with ESG benchmarks can be done, e.g., using the index provider information or the UBS AM Sustainability Analytics (reporting module). Outside of the investment process, we vote on behalf of our range of index and rules-based portfolios and may engage with companies ahead of the shareholder meeting. We further review significant positions held only with our index mandates and may engage with companies where we identify areas of concern related to ESG factors.			
LB 13	Voluntary	Describe	PM 1
LB 13.1 Provide examples of ESG factors that affected your investment view and/or performance during the reporting year.			
<input checked="" type="checkbox"/> ESG factor 1			
Active Equity Example 1 The UBS AM Concentrated Alpha Team was a shareholder in a media and communications company that has a low ESG rating, identified in the ESG Risk Dashboard. The Sustainable Investment Research team verified the severe sustainability risks that contributed to the low ESG rating, stemming from the company's culture and corporate governance oversight mechanism that raised red flags based on the number of controversies involving its customers and employees. The company had consistently been involved in high profile legal action and appeared to be reactive in simply settling court cases, rather than proactively building a mitigation mechanism to address the underlying issues. To limit the downside, the investment team decided to sell the stock, given the materiality of the risk flagged and the lack of measures taken by the company to address these risks despite recurring concerns.		ESG incorporation strategy applied	

	Impact on investment decision or performance
We decided to sell the stock.	
ESG factor 2	
	ESG factor and explanation
Active Equity Example 2: Our European Value Team was involved in a mining company with elevated risk. The stock was flagged for elevated absolute risk in the ESG risk assessment process. The Sustainable Investment Research team confirmed that the ESG risk stemmed from increased incidents in health and safety and bribery and corruption. To assess management's commitment to addressing these issues, engagement was broadened to include Board members, the heads of asset divisions, general counsel, and head of ESG. Discussions focused on structural problems, strengthening systems, and the change required in company culture. The investment team recognized the materiality of the risks and participated in multiple engagement meetings with the company over two years. They maintained their position in the company on the basis that the ESG risks could be mitigated and that investments in compliance and conduct as well as accelerated management succession would positively impact the investment thesis over a multi-year time frame. The company was also attractive on a price to assets basis and strong free cash flow yield. The company proactively continued the dialogue, enabling the investment team to provide inputs on performance objectives for ethics, safety, board committees, and succession planning.	
	ESG incorporation strategy applied
	Impact on investment decision or performance
We decided to maintain our position in the company on the basis that the ESG risks could be mitigated and that investments in compliance and conduct as well as accelerated management succession would positively impact the investment thesis over a multi-year time frame.	
ESG factor 3	
	ESG factor and explanation
Active Equity Example 3: Our UK Value team was involved in a transportation company that was targeted by activist investors seeking to remove six current Directors and replace them with nominees recommended by the activists. We conducted due diligence with the CEO, Chair and Senior Independent Director of the company, and separately with the activists. Our initial research showed that strategic plans for the company were at odds with creating the best shareholder value due to the focus on retaining the most cash generative part of the business. Hence we decided to engage with the firm. We recommended to management that pursuing the opposite strategy (selling the cash generative business and managing down the rest of the business) would be in the best interest of shareholders. Based on the prevailing circumstances, we used our voting rights at the EGM and AGM to send a signal to management that we did not support the proposed strategy or the strategy proposed by the activists. We voted to remove the current Chair, abstain on the entire Board and voted against all proposed activist nominees. After the AGM, the Chair agreed to stand down after 50% of investors voted against re-election.	
	ESG incorporation strategy applied
	Impact on investment decision or performance
We decided to exit the position as we weren't convinced management could execute the proposed strategy in the best interest of shareholders and within a reasonable turn-around time.	
ESG factor 4	
ESG factor 5	
LB Checks	
If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.	
Checks	

LEA 01

Mandatory

Core Assessed

PG 2

LEA 01.1

Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

Yes

LEA 01.2

Attach or provide a URL to your active ownership policy

Attachment provided

URL provided

https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability/_jcr_content/mainpar/tablesgrid_277059058/col_148/asset/mwmgld_1239132554/col2/related/link_0022054151_file2d4uyfwY3RtP5B23G2W55L_2R6d571Y8hAul5aUw5u8-BMz2vYmF6_VN2ZkUtmR0a2d4c_VN0Y9R6WkuCjYACdE3Lr0BZg==global-stewardship-statement-2019.pdf

LEA 01.3

Indicate what your active engagement policy covers

General approach to Active Ownership

Conflicts of interest

Alignment with national stewardship code requirements

Assets/funds covered by active ownership policy

Expectations and objectives

Engagement approach

Engagement

ESG issues

Prioritisation of engagement

Methods of engagement

Transparency of engagement activities

Due diligence and monitoring process

Insider information

Escalation strategies

Service Provider specific criteria

Other, (specify)

(Proxy) voting approach

Voting

ESG issues

Prioritisation and scope of voting activities

Methods of voting

Transparency of voting activities

Regional voting practice approaches

Filing or co-filing resolutions

Company dialogue pre/post-vote

Decision-making processes

Securities lending processes

Other, (specify)

Other

None of the above

LEA 01.4

Do you outsource any of your active ownership activities to service providers?

No

Yes

LEA 01.5

Additional information (optional)

The UBS Asset Management (UBS-AM) Global Stewardship Policy covers both our engagement and voting approaches.

More detailed information on our voting process and underlying governance and sustainability expectations for companies from a voting perspective is included in our Proxy Voting Policy available at <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html> under the "Our policies, reports and voting information" section.

More detailed information on our engagement strategy is available in our white paper "Adding value through active engagement" available at <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html> under "Our approach, stewardship" section. Information can also be found in our annual stewardship report available at <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>

LEA 02

Mandatory

Core Assessed

PG 1,2,3

LEA 02.1

Indicate the method of engagement, giving reasons for the interaction

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

LEA 02.2

Additional information (optional)

UBS AM's stewardship policy is our commitment to act as good owner to the assets held and managed on behalf of our clients. We regard stewardship as an integral part of our fiduciary duty and investment process. We are committed to taking an active approach through a clear and structured program which encompasses the integration of ESG factors into four strongly reinforced activities:

- investment decision making,
- engagement with corporate management,
- exercise of shareholders rights, and
- advocacy with policy makers and standard setters

Corporate engagement implies a two-way dialogue between investors and companies. Its objective is to enhance information and improve business performance, both in terms of ESG issues and strategy, risk management, and capital allocation. Investors can share their expectations of corporate management and encourage practices which could enhance long-term value. Companies, meanwhile, can explain the relationship between sustainability, their business model and financial performance.

In our view, it is this two-way dialogue which defines engagement. Simply asking companies questions without providing feedback and encouraging improvements would not be classified as an engagement.

Stewardship is relevant for both active and index (rules based) investments. In the case of actively managed strategies, it facilitates enhanced investment decisions for long-term value creation. In index strategies stewardship activities often represent one of the most significant means by which institutional investors can express their views on and influence company performance. It offers a way of addressing broader negative externalities to the economy which in turn could cause instability and inefficiencies within the financial markets and global portfolios. In the case of passive strategies tracking sustainability indexes or applying a rules-based approach, stewardship activities can also have further impacts. In some instances, dialogue can 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 third approaches considering ESG factors to inform underweights and over weights.

UBS AM offers investment strategies across both passive and active. Active strategies benefit from the increased exposure to companies by passive strategies which allows for even stronger corporate access and ability to influence. Passive strategies benefit from the in-depth knowledge and relationship with management by expert financial analysts with sector expertise.

A number of factors determine which companies in our invested universe would be prioritized for in-depth research and dialogue. 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 strong controversies

Our approach involves the following:

- use of internal information shared upon our proprietary comprehensive database, external specialist sell-side broker research and ESG-rating tools, and review of proxy voting material ahead of the annual shareholder vote;
- meetings with company executives (CEO, CFO, and other C-Suite representatives), board members (chair and non-executive board members), investor relations, ESG experts, and others such as corporate secretaries;
- assessment of the quality of explanations given;
- monitoring of corporate developments through market news sources and company announcements on an on-going basis.

We have an integrated approach across the entire investment platform. Many of our engagements continue for several years as part of our on-going review process. We maintain a comprehensive database of our meetings with companies, review progress over time, and follow-up on issues identified.

Voting at shareholder meetings is a vital component of our overall approach to the effective stewardship of our clients' assets. We use proxy voting to our research and investment process. Holdings are included in more than one portfolio than we aim, as far as possible, to vote consistently so that we send one strong, unified message to our investee companies.

We also use voting to complement and support our engagement activities. In situations where our engagement dialogue is not bringing the results we had expected, we will escalate and use voting as an additional means by which to express our opinion and seek influence on boards and management. In circumstances such as these, it is essential to communicate effectively with management pre- and post-vote to explain the reasons for our dissent and to open the doors for further dialogue.

UBS AM's proxy voting and engagement activities are overseen by the Stewardship Committee. The Stewardship Committee is chaired by the Head of Investments and includes the Head of the Sustainable and Impact Investing team, the Head of Active Equities, the Head of Systematic and Index Investing, the Head of Sustainable and Impact Investing Research and Stewardship, and the Head of Global Institutional Client Coverage.

In addition to the oversight by our Stewardship Committee, we regularly review our approach to stewardship. In this regard, a detailed internal audit was performed in 2019 to ensure our practices were in our clients' interests. Agreed policies and procedures were found to be appropriately implemented.

LEA 03

Mandatory

Core Assessed

PG 2

LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagements.

Yes

LEA 03.2

Indicate the criteria used to identify and prioritise engagements for each type of engagement

Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal staff engagements	<input type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input checked="" type="checkbox"/> Exposure (size of holdings) <input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred <input checked="" type="checkbox"/> Responses to divestment pressure <input checked="" type="checkbox"/> Consultation with clients/beneficiaries <input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input checked="" type="checkbox"/> Follow-up from a voting decision <input checked="" type="checkbox"/> Client request <input checked="" type="checkbox"/> Breaches of international norms <input type="checkbox"/> Other, (specify) <input type="checkbox"/> We do not outline engagement criteria for our individual engagements
Collaborative engagements	<input checked="" type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors <input checked="" type="checkbox"/> Ability to have greater impact on ESG issues <input checked="" type="checkbox"/> Ability to add value to the collaboration <input type="checkbox"/> Geography/market of the companies targeted by the collaboration <input checked="" type="checkbox"/> Materiality of the ESG factors addressed by the collaboration <input checked="" type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input checked="" type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input checked="" type="checkbox"/> Responses to divestment pressure <input checked="" type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Alleviate the resource burden of engagement <input checked="" type="checkbox"/> Consultation with clients/beneficiaries <input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Other, (specify) <input type="checkbox"/> We do not outline engagement criteria for our collaborative engagement providers

LEA 03.3

Additional information (optional)

Where we believe the effectiveness of engagement and the chance of success can be increased, we are willing 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 and allow the companies to focus on a smaller and more coordinated number of requests from the financial community.

Collaboration with peers 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 collaborating. Therefore, at the outset, we must endeavour to confirm that:

- working with other investors is permitted by law and/or regulation;
- a general alignment of views and agreement on issues of concern and potential solutions exists;
- dialogue will be undertaken privately; and
- we, as an investment firm, have the resources to effectively contribute to the research of, and dialogue with, selected companies.

Collaborative engagements are not the only channel for us to work with our peers and raise awareness on sustainable investing. We are also active members of industry working groups and advisory committees. Examples of collaborative initiatives we have recently supported include:

- Climate Action 100+ We are currently directly involved in 29 coalitions of investors within Climate Action 100+ and lead seven of the company dialogues across regions. We are also a member of the NGCC Climate Action 100+ European Advisory Group.

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TRANSPARENCY

- We are members of FAIR and are actively involved in Phase 4 of its sustainable protein supply chain engagement, leading and supporting on various dialogues with companies. We also use the Initiative's research in our own integration and engagement activities.
- We have been members of the PRI ESG in Action Ownership working group and provided a case study example which is available on the PRI website. We are also members of the PRI Fixed Income Engagement working group.

LEA 04

Mandatory

Core Assessed

PRI 2

LEA 04.1

Indicate whether you define specific objectives for your organisation's engagement activities.

Individual / Internal staff engagements	<input type="radio"/> All engagement activities <input checked="" type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff.
Collaborative engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration.

LEA 05

Mandatory

Core Assessed

PRI 2

LEA 05.1

Indicate whether you monitor and/or review engagement outcomes.

Individual / Internal staff engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.
Collaborative engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.

LEA 05.2

Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.

Individual / Internal staff engagements	<input type="checkbox"/> Define times/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other, specify
Collaborative engagements	<input checked="" type="checkbox"/> Define times/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other, specify

LEA 05.3

Additional information. (Optional)

Successful engagement is often not a one-time discussion and can come in various forms from performance monitoring to change in company practices, and the effectiveness can often only be judged over a period of time. We believe it is important to track and monitor progress against our defined engagement objectives.

In 2019, we introduced an enhanced internal tracking system to assess the progress of dialogue against defined engagement objectives. Twenty-three percent of our engagements with companies during the year showed progress against identified areas for improvements to manage risks and take advantage of new opportunities.

We maintain a comprehensive database of our company interactions in order to share information internally, review progress against defined objectives over time, and follow up on any issues that have been identified. This tracking system allows us to link engagement conversations with proxy voting decisions and the investment process (including providing inputs for decisions on overweighting, underweighting, and eventually selling).

LEA 06

Mandatory

Additional Assessed

PRI 2-4

LEA 06.1

Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

☒ Yes

LEA 06.2

Indicate the escalation strategies used at your organisation following unsuccessful engagements.

☒ Collaborating with other investors
☐ Issuing a public statement
☒ Filing/submitting a shareholder resolution
☒ Voting against the re-election of the relevant directors
☒ Voting against the board of directors or the annual financial report
☐ Submitting nominations for election to the board
☐ Seeking legal remedy / litigation
☒ Reducing exposure (size of holdings)
☒ Divestment
☐ Other, specify

LEA 06.3

Additional information. (Optional)

There may be occasions when, despite discussions with companies, our concerns have not been sufficiently addressed, and shareholder value is at risk. If a company fails to meet our expectations, and we are not satisfied through our regular engagement process with the explanations provided, we will seek to escalate our approach. In the first instance, this is likely to be through further discussions with the chairman or other senior non-executives.

In making decisions as to whether to escalate our engagement we will consider the following:

- the circumstances which have led to our concern,
- the materiality of the potential negative impact,
- best practice standards, including national guidelines,
- any explanation provided by the company,
- the significance of the issue for our clients,
- any pattern of concerns over a period of time, and
- the likelihood of success.

If a company consistently fails to meet our expectations or if a company's ESG disclosures are insufficient to allow for investors to gain an appropriate understanding of a company's sustainability-related risks, we may decide to vote against management proposals at the shareholder meeting, including the election of board candidates. Should no progress be made over a period of time we may choose to direct all or some of the shares held on behalf of our clients to active portfolio.

LEA 07

Voluntary

Additional Assessed

PRI 2

LEA 07.1

Indicate whether insights gained from your organisation's engagements are shared with investment decision makers.

Type of engagement	Insights shared
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.2

Indicate the processes used to ensure that information and insights gained through engagements are shared with investment decision makers.

☒ Inviting investment decision makers when developing an engagement programme
☒ Holding investment team meetings and/or presentations
☒ Using IT platforms/systems that enable data sharing
☒ Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
☐ Other, specify
☐ None

LEA 07.3

Indicate whether insights gained from your organisation's engagements are shared with your clients/beneficiaries.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.4

Additional information. (Optional)

We maintain a comprehensive database of our company interactions in order to share information internally, review progress against defined objectives over time and follow up on any issues that have been identified. This tracking system allows us to link engagement conversations with proxy voting decisions and the investment process (including providing inputs for decisions on overweighting, underweighting, and eventually selling).

We aim to make our stewardship activities transparent through regular reporting to our clients and via other information reported publicly online. Client reporting is conducted quarterly. It includes details of voting and corporate engagement activities undertaken during the quarter. Our stewardship report is published annually. Where practical, our reports include both qualitative and quantitative information.

We are always mindful that our engagement activity, especially current activity, may be confidential or sensitive. We may choose not to fully disclose all information, particularly if we feel this could hinder the outcome of our discussions with companies.

Our approach to implementing the Principles for Responsible Investment (PRI), including Principle 2 on stewardship across asset classes, is published on our website together with the relevant assessment report.

Our voting record is disclosed publicly online on a quarterly basis with details on abstentions or votes against the board. For our regulated funds in the USA, Canada and Australia, we disclose our annual voting record on a fund-by-fund basis.

LEA 08

Mandatory

Core Assessed

PRI 2

LEA 08.1

Indicate whether you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of collaborative engagements in full <input type="radio"/> Yes, we partially track the number of our collaborative engagements <input type="radio"/> We do not track

LEA 09

Mandatory to Report, Voluntary to Disclose

Core Assessed

PRI 2

LEA 09.1

Indicate the proportion of companies in your listed equities portfolio with which your organisation engaged during the reporting year.

	We did not complete any engagements in the reporting year.	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion of companies engaged with, out of total listed equities portfolio
Individual / Internal staff engagements	<input type="checkbox"/> We did not complete any engagements in the reporting year.	254	32
Collaborative engagements	<input type="checkbox"/> We did not complete any engagements in the reporting year.	27	5

LEA 09.2

Indicate the breakdown of engagements conducted within the reporting year by the number of interactions (including interactions made on your behalf).

No. of interactions with a company	% of engagements
One interaction	<input type="radio"/> <75%
	<input checked="" type="radio"/> 51-75%
	<input type="radio"/> 11-50%
	<input type="radio"/> 1-10%
	<input type="radio"/> None
2 to 3 Interactions	<input type="radio"/> >75%
	<input type="radio"/> 51-75%
	<input checked="" type="radio"/> 11-50%
	<input type="radio"/> 1-10%
	<input type="radio"/> None

1. appropriate management succession plans are in place;
2. the interests of executives and shareholders are aligned;
3. the financial audit is independent and accurate;
4. the brand and reputation of the company is protected and enhanced;
5. a constructive dialogue with shareholders is encouraged and
6. that it reserves all the information necessary to hold management to account.

Areas of focus

Some examples of areas of concern related to our corporate governance focus include the following:

- economic value resulting from acquisitions or disposals;
- operational performance;
- quality of management;
- independent non-executive directors not holding executive management to account;
- quality of internal controls;
- lack of transparency;
- inadequate succession planning;
- poor approach to corporate social responsibility;
- inefficient management structure and
- corporate activity designed to frustrate the ability of shareholders to hold the board to account or realise the maximum value of their investment.

Our voting record is disclosed publicly online on a quarterly basis with details on abstentions or votes against the board. For our regulated funds in the USA, Canada and Australia, we disclose our annual voting record on a fund-by-fund basis.

For more information, our detailed voting policy is available via our website: <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>.

LEA 14	Voluntary	Additional Assessed	Page 3
LEA 14.1 Does your organisation have a securities lending programme?			
<input checked="" type="radio"/> Yes			
LEA 14.3 Indicate how the issue of voting is addressed in your securities lending programme.			
<input type="radio"/> We recall all securities for voting on all ballot items			
<input type="radio"/> We maintain some holdings, so that we can vote at any time			
<input type="radio"/> We systematically recall some securities so that we can vote on their ballot items (e.g. in line with specific criteria)			
<input checked="" type="radio"/> We recall some securities so that we can vote on their ballot items on an ad-hoc basis			
<input type="radio"/> We empower our securities-lending agent to decide when to recall securities for voting purposes			
<input type="radio"/> We do not recall our securities for voting purposes			
<input type="radio"/> Other (specify)			
<input type="radio"/> No			
LEA 15	Mandatory	Descriptive	Page 3
LEA 15.1 Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.			
<input type="radio"/> 100%			
<input type="radio"/> 75-79%			
<input type="radio"/> 74-50%			
<input type="radio"/> 49-25%			
<input checked="" type="radio"/> 24-1%			
<input type="radio"/> Neither we nor our service provider(s) raise concerns with companies ahead of voting			
LEA 15.3 Indicate the reasons for raising your concerns with these companies ahead of voting.			
<input type="checkbox"/> Vote(s) concerned selected markets			
<input type="checkbox"/> Vote(s) concerned selected sectors			
<input checked="" type="checkbox"/> Vote(s) concerned certain ESG issues			
<input checked="" type="checkbox"/> Vote(s) concerned companies exposed to controversy on specific ESG issues			
<input checked="" type="checkbox"/> Vote(s) concerned significant shareholdings			
<input type="checkbox"/> Client request			
<input type="checkbox"/> Other			
LEA 16	Mandatory	Core Assessed	Page 4
LEA 16.1 Indicate the proportion of votes where you and/or the service provider(s) acting on your behalf communicated the rationale to companies for obtaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.			
<input type="radio"/> 100%			
<input type="radio"/> 75-79%			
<input type="radio"/> 74-50%			
<input type="radio"/> 49-25%			
<input checked="" type="radio"/> 24-1%			
<input type="radio"/> We do not communicate the rationale to companies			
<input type="radio"/> Not applicable because we and/or our service providers did not obtain or vote against management recommendations			
LEA 16.3 Indicate the reasons why your organisation would communicate to companies, the rationale for obtaining or voting against management recommendations.			
<input type="checkbox"/> Vote(s) concern selected markets			
<input type="checkbox"/> Vote(s) concern selected sectors			
<input checked="" type="checkbox"/> Vote(s) concern certain ESG issues			
<input checked="" type="checkbox"/> Vote(s) concern companies exposed to controversy on specific ESG issues			
<input checked="" type="checkbox"/> Vote(s) concern significant shareholdings			
<input type="checkbox"/> Client request			
<input type="checkbox"/> Other			
LEA 16.3 In cases where your organisation does communicate the rationale for obtaining or voting against management recommendations, indicate whether this rationale is made public.			
<input type="radio"/> Yes			
<input checked="" type="radio"/> No			
LEA 16.4 Additional information (Optional)			
We will inform a company of our voting decision (before/after the vote) upon request and may pro-actively do so on a limited basis for our key positions.			
LEA 17	Mandatory	Core Assessed	Page 5
LEA 17.1 For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.			
<input checked="" type="radio"/> We do track or collect this information			
Votes cast (to the nearest 1%)			
95%			
Specify the basis on which this percentage is calculated			
<input type="radio"/> Of the total number of ballot items on which you could have issued instructions			
<input checked="" type="radio"/> Of the total number of company meetings at which you could have voted			
<input type="radio"/> Of the total value of your listed equity holdings on which you could have voted			
<input type="radio"/> We do not track or collect this information			
LEA 17.2 Explain your reason(s) for not voting on certain holdings			
<input checked="" type="checkbox"/> Shares were blocked			
<input type="checkbox"/> Notices, ballots or materials not received on time			
<input type="checkbox"/> Market deadline			
<input type="checkbox"/> Geographical restrictions (non-home market)			
<input type="checkbox"/> Cost			
<input type="checkbox"/> Conflicts of interest			
<input type="checkbox"/> Holdings deemed too small			
<input checked="" type="checkbox"/> Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)			
<input type="checkbox"/> Client request			
<input type="checkbox"/> Other (specify)			
LEA 17.3 Additional information (Optional)			
Common issues which prevent us from exercising our voting rights include sharelocking periods, restrictive or onerous requirement for power of attorney documents through the investment chain, and personal representation at the meeting.			
LEA 18	Voluntary	Additional Assessed	Page 2
LEA 18.1 Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.			
<input checked="" type="radio"/> Yes, we track this information			
LEA 18.2 Of the voting instructions that you and/or third parties on your behalf have issued, indicate the proportion of ballot items that were:			
Voting instructions breakdown as percentage of votes cast* for (supporting) management recommendations			
83%			
Against (opposing) management recommendations			
17%			
Abstentions			
0%			
<input type="radio"/> No, we do not track this information			
LEA 18.3 In cases where your organisation voted against management recommendations, indicate the percentage of companies which you have engaged.			
2.8			
LEA 18.4 Additional information (Optional)			
We have holdings in over 10,000 listed companies and voted against management on one or more resolution at 6,300 companies, representing 63% of companies voted upon. We have engaged with 2.5% of companies where we have voted against a management recommendation. The most common reasons for voting against management were related to:			
• the level of board independence falling below our policy's threshold;			
• inadequate link between remuneration structure and financial performance;			
• election of board's directors, including independence considerations;			
• share issuance without pre-emptive rights;			
• audit company tenure in excess of 20 years;			
• independence of audit committee and			
• lack of sufficient disclosure to allow for informed voting decisions.			
We will engage with companies on voting-related items in various circumstances. These include where we have a significant position, where we have previously engaged with a company outside of the AGM period, if we have previously voted against a proposal, or if additional information is required to enable us to make an informed voting decision.			
LEA 19	Mandatory	Core Assessed	Page 2
LEA 19.1 Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.			
<input checked="" type="radio"/> Yes			
<input type="radio"/> No			
LEA 19.2 Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.			
<input checked="" type="checkbox"/> Contacting the company's board			
<input checked="" type="checkbox"/> Contacting the company's senior management			
<input type="checkbox"/> Issuing a public statement explaining the rationale			
<input type="checkbox"/> Initiating individual/collaborative engagement			
<input type="checkbox"/> Directing service providers to engage			
<input type="checkbox"/> Reducing exposure (holdings) / divestment			
<input type="checkbox"/> Other			
LEA 20	Voluntary	Descriptive	Page 2
LEA 20.1 Indicate whether your organisation, directly or through a service provider, filed or co-filed any ESG shareholder resolutions during the reporting year.			
<input checked="" type="radio"/> Yes			
LEA 20.2 Indicate the number of ESG shareholder resolutions you filed or co-filed.			
1			
<input type="radio"/> No			
LEA 20.3 Indicate what percentage of these ESG shareholder resolutions resulted in the following:			
Went to vote			
100%			
Were withdrawn due to changes at the company and/or negotiations with the company			

F101		Mandatory	Gateway	PRI 1
F101.1 Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.				
SSA	0	Screening alone		
	0	Thematic alone		
	0	Integration alone		
	100	Screening + integration strategies		
	0	Thematic + integration strategies		
	0	Screening + thematic strategies		
	0	All three strategies combined		
	0	No incorporation strategies applied		
	Corporate (financial)	0	Screening alone	
0		Thematic alone		
0		Integration alone		
100		Screening + integration strategies		
0		Thematic + integration strategies		
0		Screening + thematic strategies		
0		All three strategies combined		
0		No incorporation strategies applied		
Corporate (non-financial)		0	Screening alone	
	0	Thematic alone		
	0	Integration alone		
	100	Screening + integration strategies		
	0	Thematic + integration strategies		
	0	Screening + thematic strategies		
	0	All three strategies combined		
	0	No incorporation strategies applied		
	Securitised	0	Screening alone	
0		Thematic alone		
0		Integration alone		
100		Screening + integration strategies		
0		Thematic + integration strategies		
0		Screening + thematic strategies		
0		All three strategies combined		
0		No incorporation strategies applied		
F101.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.				
<p>At UBS Asset Management ("UBS AM") we believe ESG integration is integral when the credit analysts sit at the heart of it. Our fixed income team includes over 25 credit analysts in various corners: Chicago, Zurich, London, Singapore and Sydney.</p> <p>UBS AM sees the advantages of incorporating ESG considerations as</p> <ul style="list-style-type: none"> providing a more holistic, comprehensive view on credit risk; deepening the understanding of issuer quality; increasing visibility that helps to confirm views on credit risk, or identify trends or events that may lead to increased default risks and spread widening; and providing an understanding of the dynamics of sustainability issues and trends that may lead to broader pressures on credit quality. <p>We view the benefits of ESG integration as providing additional level of understanding taking into account the following:</p> <ul style="list-style-type: none"> ESG scores are useful but not enough. We are looking at the specific issues that connect to the investment case. Certain ESG topics are more material at sector and issuer level. The dynamics of sustainability suggest the potential for change. We seek to ensure a forward-looking approach to the impact on credits. The changing pace of sustainability challenges adds to the importance of understanding trends and what happens at issuer level. 				
F101.3 Additional information (Optional)				
<p>UBS AM's ESG integration efforts across our Fixed Income platform:</p> <p>At UBS AM ESG factors are integrated into our proprietary credit research process. We believe that material ESG factors are best assessed as part of the company fundamental research process.</p> <p>UBS AM's 25+ credit analysts provide qualitative assessments of management strength, business strategy, market position, competitive environment, regulatory environment, and financial flexibility as well as quantitative assessments of historical operating results, calculation of various credit ratios, and, most importantly, an expected future outlook. The analysts specialize in their sectors and build up valuable, in-depth knowledge over time to provide comprehensive credit review and analysis with emphasis on cash flow generation and sustainability.</p> <p>We have integrated ESG considerations throughout our credit research. This requires credit recommendations by our Credit Research teams to address the most material sustainability strengths and weaknesses and also to assess the material impact of sustainability considerations on their credit recommendations and how sustainability risk factors influence their credit recommendation either positively or negatively. In order to quickly capture the outcomes of the credit analyst's ESG analysis, we have developed the UBS AM ESG Credit Score ("ESG Credit Score").</p> <p>We view the value of our ESG analysis as deepening our understanding of the connection between issuers and the key sustainability trends that are material to their activities. To help with communication to portfolio managers, we encapsulate this in the ESG Credit Score, a score from 1 to 5 (best to worst). We supplement the ESG Credit Scores with data from external rating providers for purposes of comparison within and across portfolios. We have also established approaches in which we reference the sustainability profile of issuers (and in some cases individual issues) in our consideration of sovereign, mortgage backed/securitized, and municipal bonds investments.</p> <p>In addition, UBS AM has developed a proprietary approach to assessing the sustainability performance of sovereigns. The sovereign framework provides an assessment of the sustainability profiles of government issuers across both emerging and developed markets. The UBS AM methodology integrates data from numerous sources covering ESG factors. It addresses material governance strengths and weaknesses through data such as political stability, rule of law, corruption control, and government effectiveness. It uses social indicators which address how each country provides personal safety, meets the basic needs and health and well-being of its people, and provides both education and the access to opportunities. In the environmental dimension, the framework focuses on the positioning of each country with respect to climate change transition, such as the carbon intensity of the economy and the sustainability of energy production, as well as physical climate change risks. Together the framework and the views of our credit analysts specializing in sovereign debt are captured in the ESG Credit Score.</p> <p>Implementation of ESG across the UBS AM fixed income platform is grounded in the collaboration between our credit analysts and the UBS AM Sustainable Investment Research team. We have established protocols which guide how we address issuers which we cover. How to make use of external ESG ratings information, and how to address gaps in coverage. Our credit analysts are responsible for the ESG analysis of issuers within their coverage, and they are supported by the Sustainable Investment Research team. Through these dialogues, we are able to address questions about the materiality of an issue, the quality of an issuer's management of its risks, and how to balance different levels of materiality or the timing of how ESG issues are expected to develop. We use various data sources to gather information, including external ESG ratings providers, to inform our analysis of individual issuers and to help us with cross-sectoral and peer comparisons.</p>				
F102		Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 1
F102.1 Indicate which ESG factors you systematically research as part of your analysis on issuers.				
	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Environmental data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Social data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
F102.2 Indicate what format your ESG information comes in and where you typically source it				
<input checked="" type="checkbox"/> Raw ESG company data <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input type="checkbox"/> Self-side <input checked="" type="checkbox"/> In-house - specialised ESG analyst or team <input checked="" type="checkbox"/> In-house - FI analyst, PM or risk team <input type="checkbox"/> Other, specify <input type="checkbox"/> ESG factor specific analysis <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Issuer level ESG analysis <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input type="checkbox"/> Self-side <input checked="" type="checkbox"/> In-house - specialised ESG analyst or team <input checked="" type="checkbox"/> In-house - FI analyst, PM or risk team <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> Sector level ESG analysis <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input type="checkbox"/> Self-side <input checked="" type="checkbox"/> In-house - specialised ESG analyst or team <input checked="" type="checkbox"/> In-house - FI analyst, PM or risk team <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> Country level ESG analysis <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input type="checkbox"/> Self-side <input checked="" type="checkbox"/> In-house - specialised ESG analyst or team <input checked="" type="checkbox"/> In-house - FI analyst, PM or risk team <input type="checkbox"/> Other, specify 				
F102.3 Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.				
<p>We examine and assess financially material ESG risk and opportunity through the following means:</p> <p>1. Through our in-house ESG Research: Our Sustainable Investment Research Analysts work closely with the Fixed Income investment teams to evaluate and systematically integrate ESG factors into fundamental credit research.</p> <p>Our Sustainable Investment Research Analysts are responsible for:</p> <ul style="list-style-type: none"> Materiality Framework: Identification of financially material ESG factors to consider in bottom-up and top-down research. A materiality framework has been established which identifies the most financially material ESG topics for 32 sectors. Top-down: Research on Sustainable and Impact Investing issues and trends Bottom-up: Ongoing support for company analysis Engagement: Proactively engaging with companies on material ESG issues <p>2. Through Data and Research: We use the following external sustainability data and analysis resources to support our 32 capabilities:</p> <ul style="list-style-type: none"> MSCI Thomson Thomson Reuters Asset4 Sustainalytics ISS 				

FI 03.4

Additional information, optional

Our credit analysts are at the centre of ESG integration in fixed income because we believe they are best placed to make use of their in-depth knowledge of issuers and experience in fundamental analysis to provide the context in which to consider sustainability issues. They aggregate quantitative and qualitative data, consider its relevance and materiality, put it into an appropriate recommendation framework, and then also make judgements based on sometimes incomplete and imperfect information. Analysing ESG issues requires the same skills, albeit from a different starting point, a different set of conditions, and with sometimes divergent conclusions.

Credently, UBS AM credit analysts make forward looking judgements. This judgement applies as much to ESG issues as it does to financial ones, and as such, distinguishes their work from purely ESG data gathering or scoring. While the current level of sustainability profile and performance of an issuer is an important starting point, dynamics of sustainability issues, timing, and expected responses by the issuer are all important forward looking aspects when it comes to assessing the credit. Finally, UBS AM analysts' ownership of their understanding of sustainability issues is how we expect to further deepen ESG integration going forward.

Collaboration is an important part of the assessment process. Credit analysts are supported in the development of their ESG analysis by our Sustainable Investment Research team. Through dialogue, they are able to address questions about the materiality of an issue, the quality of an issuer's management of its risks, and how to balance different levels of materiality or the timing of how ESG issues are expected to develop. They also utilise various data sources to gather information.

FI 03

Mandatory

Additional Assessed

PG 1

FI 03.1

Indicate how you ensure that your ESG research process is robust

☒ Comprehensive ESG research is undertaken internally to determine companies' activities, and products and/or services

☐ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies

☒ Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate

☒ Internal audits and regular reviews of ESG research are undertaken in a systematic way

☒ A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country

☒ Other, specify

specify description

☐ FI established an Advisory Board comprising internal and external members. It provides feedback and guidance on sustainability integration into FI

☐ None of the above

FI 03.2

Describe how your ESG information or analysis is shared among your investment team

☒ ESG information is held within a centralised database and is accessible to all investment staff

☐ ESG information is displayed on front office research platforms

☒ ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents

☒ Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings

☒ Records capture how ESG information and research was incorporated into investment decisions

☐ Other, specify

☐ None of the above

FI 04

Mandatory

Additional Assessed

PG 1

FI 04.1

Indicate the type of screening you conduct

	ESG	Corporate (Financial)	Corporate (non-financial)	Securitised
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Positive/best-in-class screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Norms-based screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 04.2

Describe your approach to screening for internally managed active fixed income

Negative Screening

We have extensive experience in the implementation of exclusion lists from investment and operational aspects. We manage client exclusion lists and build exclusion lists for clients. Approaches include:

- applying exclusion lists specified by the client, based on ESG themes,
- applying sector based exclusions, and
- applying exclusions based on percentage of company revenues derived from particular activity.

Positive/Best-in-Class Screening

We tailor our investment management approach to accommodate SRI constraints within mandates directed by clients. We offer Sustainability focused strategies which we define as having the investment process designed around sustainability considerations. For these strategies investment guidelines include minimum and maximum limits with UBS AM ESG scores.

Norms-based Screening

Our norms-based screening approach reviews investments based on whether they align with international standards such as the UN Global Compact. We work with MSO to identify companies that are seen as breaching one or more of the principles. Cases are assessed and, where necessary, we will initiate engagement to ensure that companies remedy identified breaches and communicate with stakeholders and ensure that they have addressed any management failures. Cases will be escalated for a discussion on exclusion when we consider that the engagement objectives have not been met.

FI 05

Voluntary

Additional Assessed

PG 1

FI 05.1

Provide examples of how ESG factors are included in your screening criteria

☒ Example 1

Type of fixed income
<input type="checkbox"/> ESG <input type="checkbox"/> Corporate (Financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG factors
<input checked="" type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Screening
<input type="checkbox"/> Negative/ exclusionary <input checked="" type="checkbox"/> Positive/ best-in-class <input type="checkbox"/> Norms-based
Description of how ESG factors are used as the screening criteria
This is a European investment grade issuer in the construction materials sector. Key ESG issues are identified as climate, environment, and corporate governance. The issuer is an ESG industry sector leader, and we believe they are tackling almost all material factors better than peers and leading approaches in the most material ESG issues. The issuer's corporate governance is clean with an independent board, separate CEO & Chairman and no principal shareholder. The issuer also has a clean sheet in terms of controversies. On the weaker side, we see challenges around exposure to climate change, where a recent acquisition makes it more difficult for the issuer to meet its emissions reduction targets, but we do not see the scale as having a material impact on the credit position. Given the overall leading ESG profile of the issuer and its highlighted strengths, we consider this to have a positive impact on our credit assessment which supports our overall favourable view on the issuer.

☒ Example 2

Type of fixed income
<input type="checkbox"/> ESG <input type="checkbox"/> Corporate (Financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG factors
<input type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Screening
<input type="checkbox"/> Negative/ exclusionary <input checked="" type="checkbox"/> Positive/ best-in-class <input type="checkbox"/> Norms-based
Description of how ESG factors are used as the screening criteria
This is a North American high yield grade issuer in the healthcare sector. Key ESG issues are identified as corporate governance, health care access and pricing, product and service quality, and data security and privacy. The issuer is an ESG industry sector laggard. Its corporate governance is clouded by a long tenure CEO, a sizeable shareholder, and a large bond creditor with weaker checks and balances that we would expect in this situation. This raises a concern that management decisions will be taken that benefit a more narrow set of investor and management interests. In addition, addressing many of the operational risks of the company relies on sound human resources management, but the company has a track record of litigation with respect to unfair labour practices. Given the overall position and highlighted weaknesses of the company, we consider this to have a negative impact on our credit assessment.

☒ Example 3

Type of fixed income
<input type="checkbox"/> ESG <input type="checkbox"/> Corporate (Financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG factors
<input checked="" type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Screening
<input type="checkbox"/> Negative/ exclusionary <input checked="" type="checkbox"/> Positive/ best-in-class <input type="checkbox"/> Norms-based
Description of how ESG factors are used as the screening criteria
This is an Emerging Markets corporate issuer in the energy sector. Key ESG issues are identified as climate change and carbon emissions, corporate governance, environmental responsibility and management, health & safety, and corruption. The company has energy efficiency targets embedded in its business plan which will lead to reduced carbon intensity and which meet local regulatory requirements. However, there are ongoing issues related to contaminant failures, impacts on communities, and bribery and fraud that mean the company is a laggard compared to industry peers on these material topics. Operational safety is one of the biggest risks for the company. In terms of governance, the lack of an independent board raises concerns over the oversight of the company's senior management and how they conduct business. Given the severity of these weaknesses we consider this to confirm our negative credit assessment of this issuer.

☐ Example 4

☐ Example 5

FI 06

Mandatory

Core Assessed

PG 1

FI 06.1

Indicate which systems your organisation has in place to ensure that fund screening criteria are not breached in fixed income investments.

Type of screening	Checks
Negative/exclusionary screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
Positive/best-in-class screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
Norms-based screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

- thematic engagements based on priority ESG themes considered material
- reactive engagements based on breaches of international standards and
- proactive engagements on specific issues related to the business strategy and/or ESG risks and opportunities that have an impact on valuation models.

UBS AM is a large fixed income investor that has integrated ESG considerations in its approach to investment decision-making. We see ourselves as well positioned for using engagement with fixed income issuers to inform our investment decisions as well as to deliver our views on responsible and sustainable business practices to company management. As with our integration activities, engagement is a collaboration between the fixed income analysts and the Sustainable Investment Research analysts. Both work together to identify engagement opportunities, the objectives of the dialogue and the means to achieving them. Because the opportunities to meet with company management are often different in equity and in fixed income we seek to consolidate our engagement efforts between the two for additional company access and to add further weight to our part of the dialogue.

F1 16		Mandatory to Report, Voluntary to Disclose		Additional Assessed		P66 1.2	
F1 16.1 Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)							
Type of engagement	Corporate (financial)	Corporate (non-financial)	Securitised				
Individual/internal staff engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Collaborative engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>				
Service provider engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
F1 16.2 Indicate how your organisation prioritises engagements with issuers							
	Corporate (financial)	Corporate (non-financial)	Securitised				
Size of holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Credit quality of the issuer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Duration of holdings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Quality of transparency on ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Specific industry and/or sectors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Specific ESG themes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Issuers in the lowest ranks of ESG benchmarks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Issuers in the highest ranks of ESG benchmarks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Specific listed investment priorities for the investor based on input from clients and beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
F1 16.3 Indicate when your organisation conducts engagements with issuers							
	Corporate (financial)	Corporate (non-financial)	Securitised				
We engage pre-investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
We engage post-investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
We engage proactively in anticipation of specific ESG risks and/or opportunities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
We engage in reaction to ESG issues that have already affected the issuer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
We engage prior to ESG-related divestments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
F1 16.4 Indicate what your organisation conducts engagements with issuers on							
	Corporate (financial)	Corporate (non-financial)	Securitised				
We engage on ESG risks and opportunities affecting a specific bond issuer or its issuer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
We engage on ESG risks and opportunities affecting the entire industry or region that the issuer belongs to	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>				
We engage on specific ESG themes across issuers and industries (e.g., human rights)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
F1 16.5 Indicate how your organisation ensures that information and insights collected through engagement can feed into the investment decision-making process							
	Corporate (financial)	Corporate (non-financial)	Securitised				
Ensuring regular cross-team meetings and presentations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Sharing engagement data across platforms that is accessible to ESG and investment teams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Encouraging ESG and investment teams to join engagement meetings and roundtables	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Delegating some engagement dialogue to portfolio managers/invest analysts	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Involving portfolio managers when defining an engagement programme and developing engagement decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Establishing mechanisms to rebalance portfolio holdings based on levels of interaction and outcomes of engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Considering active ownership as a mechanism to assess potential future investments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
We do not ensure that information and insights collected through engagement can feed into the investment decision-making process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
F1 16							
Mandatory to Report, Voluntary to Disclose		Additional Assessed		P66 1.2			
F1 16.1 Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.							
<input type="radio"/> Yes <input checked="" type="radio"/> No							
F1 17							
Mandatory to Report, Voluntary to Disclose		Additional Assessed		General			
F1 17.1 Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or performance							
	ESG	Corporate (financial)	Corporate (non-financial)	Securitised			
We measure whether incorporating ESG impacts portfolio risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
We measure whether incorporating ESG impacts portfolio returns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
We measure the ESG performance/profile of portfolios (relative to the benchmark)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
F1 17.2 Describe how your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance. [OPTIONAL]							
We follow comparing our ESG focus strategies against standard indices is the most insightful way to highlight the added value of ESG. This approach also aligns with our philosophy, aiming to deliver a better long-term risk-adjusted return.							
F1 18							
Voluntary		Descriptive		P66 1.2			
F1 18.1 Provide examples of how your incorporation of ESG analysis and/or your engagement of issuers has affected your fixed income investment outcomes during the reporting year							
<input checked="" type="checkbox"/> Example 1 Corporate (financial) ESG issue and explanation UBS AM has engaged with an investment grade developed markets issuer in the financial sector. The company has strong credentials in terms of corporate governance and has an encouraging focus on developing its green asset base. However it is also one of a number of financial services companies with an exposure to anti-money laundering breaches through its activities in Eastern European countries. We have engaged with this issuer in order to better understand the scale of investigations that it is facing, as well as to encourage recognition of the severity of the issues by senior management, and to encourage and effectively resourced responses. Engagement Impact on investment decision or performance After discussion with the issuer of the political and financial challenges, we have come to the conclusion that the company's response is weakened by a senior management that does not have a full understanding of the risks and the absence of the right personnel and systems to address them. This view has been reflected in our credit research ESG analysis and our overall credit view of the issuer.							
<input checked="" type="checkbox"/> Example 2 Corporate (non-financial) ESG issue and explanation UBS AM has engaged with an investment grade developed markets issuer in the utility sector. During 2019, representatives of fixed income, equities and sustainable investing research met with the company's chair of the Supervisory Board and the head of sustainability to discuss the implications of recent regulatory developments on retiring coal plants and the company's overall climate change strategy. Topics under discussion have included negotiations in renewable energy, the setting of corporate level science based targets for GHG emissions reduction, executive remuneration linked to climate strategy, and the oversight of lobbying activities on climate change. At the end of 2019, the company published targets leading to net zero GHG emissions which has raised the standards for peers in the sector. The company has also committed to link its climate targets in long term executive remuneration and publish the results of a global review of lobbying activities on climate change in the coming months. Engagement Impact on investment decision or performance The company's new strategic direction and its accompanying climate change targets have reduced the climate risks which we had initially identified as one of the most material ESG risks for the company. As the company delivers on its plans and follows through on its climate change remuneration and disclosure commitments we see scope for further incorporating these in our ESG analysis.							
<input checked="" type="checkbox"/> Example 3 Corporate (non-financial) Engagement and explanation UBS AM has engaged with an investment grade developed markets issuer in the healthcare sector. The company has experienced repeated business ethics controversies, damaging its reputation, resulting in fines, and negatively impacting its license to operate in some markets. Following a change in leadership, we saw positive momentum for engagement. Since 2018, our equity and fixed income investment teams, together with the sustainable investing research have had a series of dialogues with members of the Board (Chair, Remuneration Committee Chair), Executive Board (CEO, CFO, General Counsel, Chief Risk Officer) and Investor Relations. In terms of change we have seen the company setting a clear tone from the top. Organizational changes have included an integrated risk, compliance and business ethics function, and various enhancements are being made in compliance, trainings and employee engagement. Engagement Impact on investment decision or performance While we see further opportunity for enhancements and continue to closely monitor the progress of cultural transformation and board refreshment, we are encouraged by the pace of progress and company's responsiveness to our feedback.							
<input type="checkbox"/> Example 4 <input type="checkbox"/> Example 5							

- ☒ ESG issues impacted the investment in terms of price offered and/or paid
- ☒ ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ☒ ESG issues were considered but did not have an impact on the deal structuring process
- ☐ Other, specify
- ☐ Not applicable, our organisation did not select any investments in the reporting year
- ☐ We do not track this potential impact

PR 56.5 Additional information

ESG is an important consideration when screening new potential investments and forms a key part of our due diligence process before any acquisition. There are occasions where significant issues will arise and we will not proceed with the transaction. In other cases, for example, where an asset has poor environmental ratings, we may still proceed with the transaction and ensure our purchase/transaction price includes the costs of implementing the necessary upgrades, and where we look to improve the property via our active asset management process in order to rectify the issues.

Once an asset has been acquired, we look to realise social programmes, such as tenant and community engagement efforts.

We recently commissioned a pilot in the UK to assess the social value of investments. Standing investments – offices, shopping centres, industrial estates – benefit local communities even though it may not be obvious at first sight. We have worked with tenants and our property and facilities management teams on-site to understand and measure things such as local employment levels, traineeships, jobs for young offenders, community events held at the property and volunteering. A third party collected the data and was able to calculate in monetary terms a social value for the property. The pilot commenced with Springfields Outlet Shopping & Leisure Center in Spalding in the UK. A further six UK and European assets will be piloted, with the aim of having a social value for our portfolio. That social value is the value to the community as well as the financial return to investors. The social value will also be extensively mapped to the UN Sustainable Development Goals.

PR 57	Mandatory	Core Assessed	PR 4
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PR 57.1 Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

☒ Yes

PR 57.2 Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

☒ Selection process of property managers incorporated ESG issues

Types of actions

- ☒ Request explanation of how ESG is effectively integrated, including inquiries about governance and processes
- ☒ Request track records and examples of how the manager implements ESG in their asset and property management
- ☒ Discuss property level and performance opportunities through greater integration of ESG criteria
- ☒ Request explanation of engaging stakeholders on ESG issues
- ☐ Other, explain

Coverage

- ☒ >75% to 100%
- ☐ >50% to 75%
- ☐ <50%

☒ Contractual requirements when appointing property managers includes ESG issues

Types of actions

- ☒ Include clear and detailed expectations for incorporating ESG
- ☒ Require dedicated ESG procedures in all relevant asset and property management phases
- ☒ Clear ESG reporting requirements
- ☒ Clear ESG performance targets
- ☐ Other, explain

Coverage

- ☒ >75% to 100%
- ☐ >50% to 75%
- ☐ <50%

☒ Monitoring of property managers covers ESG responsibilities and implementation

Types of actions

- ☒ Performance against quantitative and material environmental / resource targets over specified timeframe
- ☒ Performance against quantitative and material environmental / resource targets against relevant benchmarks
- ☒ Performance against quantitative and qualitative targets to address social impacts of the portfolio/investment
- ☐ Other, explain

Coverage

- ☒ >75% to 100%
- ☐ >50% to 75%
- ☐ <50%

☐ No

PR 57.3 Provide a brief description of your organisation's selection, appointment and monitoring of third-party property managers and how they contribute to the management of ESG issues for your property investments.

Property management firms are generally selected by an RFP process that includes multiple firms. Our philosophy is to hire the best in class firm in each market for each property type and we do not have a global contract with any one provider. Standard ESG factors are included in the evaluation process and contracts with the property managers.

We have paragonised ESG firms which assist us in implementing, managing and measuring our RFP programs. Property management firms are generally monitored in annual or quarterly reviews. We set targets by individual property type and by fund. Performance monitoring against ESG targets is part of the contract and the quarterly reviews.

The property owner carries out a yearly sustainability rating of assets usingGRESB benchmarking and data requirements. The property manager shall provide the necessary data at the owner's request (as far as this data is available) and shall help the owner to analyse the data in order to draw conclusions and develop measures for improvements

The property owner hires a third-party vendor to conduct tenant surveys. ESG questions are included in the survey as standard protocol.

PR 58	Mandatory	Gateway	PR 2
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PR 58.1 Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.

☒ Yes

PR 58.2 Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.

- ☒ We consider ESG issues in property monitoring and management
- ☒ We consider ESG issues in property developments and major renovations
- ☒ We consider ESG issues in property occupier engagements
- ☒ We consider ESG issues in community engagements related to our properties
- ☒ We consider ESG issues in other post-investment activities, specify

Green building certification and third-party (ie. Energy Star, LEED, BREEAM, HQE, DGNB) ratings after acquisition. We also put into place a bespoke sustainability program and

PR 58.3 Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.

We provide policy guidelines to our property managers to implement sustainability measures. Property agents have to submit their annual budget including investment on sustainability measures. The approved budget is monitored on a quarterly basis.

All of our property managers have been instructed to improve the efficiency of our properties and to implement sustainable measures. The measures vary by property type, but energy efficiency, water savings and recycling are encouraged for all properties. Key Performance Indicators (KPIs) are used to measure the following: integral planning of maintenance cost and projects; reduction of energy and water consumption; optimisation of lifecycle costs; security and environment.

We collaborate with property management firms and ESG consultants on best practice ideas and ESG training. The ideas and strategies are jointly discussed before approved and implemented.

The property manager should manage the property in a sustainable way with the ultimate aim to reduce CO2 emissions in the lifecycle of a property. In this context, the property manager should also encourage all suppliers to contribute to this objective. This may involve the following approaches and activities:

- Increasing the share of renewable energy in utility contracts;
- Favouring regional suppliers who are close by, for example, less than 50km to reduce suppliers travelling long distances;
- Favouring suppliers who are proactive with respect to sustainable management, eg. who are certified for quality and environmental management systems such as ISO 9001, ISO 14001;
- The use of clean environmentally friendly products;
- Implementing recycling programs;
- Obtaining property-level green certifications.

The property owner carries out a yearly sustainability rating of assets. The property manager or ESG consultant shall provide the necessary data at the owner's request (as far as this data is available) and shall help the owner to analyse the data in order to draw conclusions and develop measures for improvements.

With regard to occupier engagement, our standard leases require our tenants to abide by all sustainability rules and regulations for the properties, including recycling, construction practices, sharing utility usage data and disposal of pre-existing materials and encourages them to work with us to improve the asset.

☐ No

PR 59	Mandatory	Core Assessed	PR 2.3
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PR 59.1 Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

- ☒ >60% of property assets
- ☐ 51-60% of property assets
- ☐ 10-50% of property assets
- ☐ <10% of property assets

PR 59.2 Indicate which ESG targets your organisation and/or property managers typically set and monitor

☒ Environmental

Target/KPI	Progress Achieved
Energy efficiency	please refer to section 9.3
Water consumption	please refer to section 9.3
Waste management	please refer to section 9.3

☒ Social

Target/KPI	Progress Achieved
Accessibility	please refer to section 9.3
Health and safety	please refer to section 9.3
Infrastructure	please refer to section 9.3

☒ Governance

Target/KPI	Progress Achieved
Occupier guidelines	please refer to section 9.3
Service provider guidelines	please refer to section 9.3
Tenant engagement and mediation	please refer to section 9.3

☐ We do not set and/or monitor against targets

PR 59.3 Additional information (Optional)

We operate co-ordinated ESG programmes across portfolio and regions, including energy audits and reduction plans. We benchmark individual assets and perform occupier surveys. To provide a consistent approach to evaluating sustainability, the following items are addressed during the technical, legal, commercial and environmental due diligence process:

- Legislation - Building survey
- Lease requirements - Solicitor's report on title
- Sustainable ratings and performance - Building survey
- HVAC / electrical system - Building survey
- Renewable energy - Building survey
- Lighting - Building survey
- Sustainable operations - Property manager
- Planting / features - Building survey
- Site conditions - Environmental report
- Building envelope - Building survey
- Amenities - Building survey
- Climate change risks - Building survey
- Socio-economic risks - Investment agent's purchase report
- Transportation - Investment agent's purchase report

In 2019, REPM submitted 20 funds to the annualGRESB Real Estate and Infrastructure Assessments, comprising all of our flagship vehicles and representing circa 95% of our direct pooled real estate and infrastructure vehicles globally.

PR 10	Voluntary	Descriptive	PR 2
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PR 10.1 Indicate whether your property assets are assessed against certification schemes, ratings and/or benchmarks

☒ Yes

PR 10.2 List the certification schemes, ratings and/or benchmarks your property assets are assessed against and what proportion of your property assets they apply to.

☒ Add certification scheme, rating and benchmark

Specify

BREEAM, LEED, Fitwel and Energy

INF 01	Voluntary	Descriptive	PRI 1-4
<p>INF 01.1 Provide a brief overview of your organisation's approach to responsible investment in infrastructure where you have equity stakes.</p> <p>We have a clear policy framework which directly addresses the core aspects of ESG - selecting investments and managing our assets in a way which reflect:</p> <ul style="list-style-type: none"> Environmental sustainability - maintaining capacity of the ecosystem to provide raw materials as inputs and sink capacities to assimilate wastes over multiple generations; Social responsibility - taking responsibility for our impact on society by integrating social, environmental, ethical, human rights and consumer concerns into business operations and strategy; and Good governance - is consistent with the rule of law, protects and facilitates the exercise of shareholder rights, ensures equitable treatment of shareholders, etc. <p>We apply these policies during due diligence when reviewing investment opportunities, making new investments and managing existing assets. For example, we have environmentally positive objectives across our Fund portfolio companies to reduce energy and water consumption, reduce greenhouse gas emissions and increase recycling rate and our share of renewable energy in the energy mix.</p> <p>Our investment process involves rigorous vetting of each potential investment. A discussion of an investment's ESG attributes is included in each investment memorandum provided to the Investment Committee. Initial screening involves a review of relevant ESG factors. The list of ESG issues considered and tools applied largely depends on the nature of the investment and the sector in which it is based. Due diligence then involves additional investigation of matters raised in internal and external (technical and other specific advisors) review of the investment opportunity - usually based on greater access to company and operational records of the business. Investment decisions then consider if the investment complies with our investment guidelines on ESG matters. To the extent that the investment meets all guidelines, then we assess any reputational issues for fund investors or UBS as a consequence of the investment.</p> <p>When managing existing assets, we assess the ESG credentials of our investee companies by benchmarking their policies, actions and procedures against ESG objectives. Notably, given the diverse nature of our existing and potential future investments, such criteria are viewed against relevant local, regional and global best practices and the nature of the business, operations, surrounding environment and community in which the investee company operates. We hold management of our portfolio companies accountable for implementation and adherence to ESG policies through our participation on the board of directors of the companies and during board meetings. ESG-related issues are a standing item on all management board meetings.</p>			
INF 02		Mandatory	Core Assessed
<p>INF 02.1 Indicate if your organisation has a responsible investment policy for infrastructure.</p> <p><input checked="" type="checkbox"/> Yes</p> <p>INF 02.2 Provide a URL, if your policy is publicly available.</p> <p>https://www.ubs.com/global/en/asset-management/investment-capabilities/real-estate/_jcr_content/mainpar/top/welgndc_175017576/csl1/tubassan/inwngld_350876553/col02/col02/166119557...</p> <p><input type="checkbox"/> No</p> <p>INF 02.3 Additional information (Optional)</p> <p>We have a comprehensive ESG framework that applies to our direct equity investments in infrastructure assets at UBS-AM, which includes details applicable to the Manager and our Portfolio Investments.</p>			
INF 03		Mandatory	Core Assessed
<p>INF 03.1 Indicate if your most recent fund placement documents (provide placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.</p> <p><input checked="" type="checkbox"/> Yes</p> <p>INF 03.2 Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Policy and commitment to responsible investment <input checked="" type="checkbox"/> Approach to ESG issues in pre-investment processes <input checked="" type="checkbox"/> Approach to ESG issues in post-investment processes <p>INF 03.3 Describe how your organisation refers to responsible investment for infrastructure funds in fund placement documents (PPMs or similar) (Optional):</p> <p>Our Fund placement documents discuss the key principles inherent in consideration of ESG matters. Our data room of fund research for equity (which each potential investor is provided access to) includes details of our approach to ESG matters and a copy of our ESG Framework Policy.</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Not applicable as our organisation does not fundraise</p>			
INF 04		Voluntary	Additional Assessed
<p>INF 04.1 Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment in infrastructure when requested by clients.</p> <ul style="list-style-type: none"> <input type="checkbox"/> We always make formal commitment to responsible investment in fund formation contracts, LPAs or side letters <input checked="" type="checkbox"/> In a majority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters <input type="checkbox"/> In a minority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters <input type="checkbox"/> We do not make formal commitment to responsible investment in fund formation contracts, LPAs or side letters <input type="checkbox"/> We do not make formal commitments to responsible investment in fund formation contracts, LPAs or side letters because our clients do not request us to do so <p>INF 04.2 Additional information:</p> <p>UBS-AM is a signatory to the Principles for Responsible Investment and a number of other key responsible investment initiatives. We are therefore bound by UBS-AM broad guidelines and policies with respect to ESG. Investors are made aware of our framework. When requested by clients, we will incorporate additional language (including reference to the investor's own internal policy, if any) in a side letter. To date, only a small number of investors have made such request.</p>			
INF 05		Mandatory	Gateway
<p>INF 05.1 Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.</p> <p><input checked="" type="checkbox"/> Yes</p> <p>INF 05.2 Describe your organisation's approach to incorporating ESG issues in infrastructure investment selection:</p> <p>The Infrastructure investment team takes into account ESG factors throughout the lifecycle of an investment, including during:</p> <ol style="list-style-type: none"> Initial review of investment opportunities; Due diligence of investment opportunities and acquisition of assets; and Ownership via active management of investments. <p>When a new investment opportunity is presented, the Infrastructure investment team conducts an initial screen of the opportunity, which includes a review of relevant ESG factors. This review uses information provided by the seller as well as information from public sources on the industry and the company, when available.</p> <p>During due diligence of an investment opportunity, ESG factors are investigated in detail by the team. This analysis includes investigation of matters raised by internal team members and external advisors (technical, legal and other advisors). This review is typically based on greater access to company information and operational records of the business (access to a comprehensive data room containing detailed information on the business). The investment decision process then considers if the investment complies with our investment guidelines on ESG matters. To the extent the investment meets all guidelines, we then assess any additional considerations, including reputational concerns (if any) for fund investors or UBS as a consequence of the investment. After acquisition, our team monitors ESG factors of underlying portfolio investments on a continuous basis. An ESG update (and any issues) is reported monthly for each investment in our asset management committee agenda and discussed on a call.</p> <p><input type="checkbox"/> No</p>			
INF 06		Voluntary	Descriptive
<p>INF 06.1 Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the infrastructure investment selection process.</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Internal staff <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Specify role: Executive members of investment committee <input checked="" type="checkbox"/> Specify role: Investment analysts <input checked="" type="checkbox"/> Specify role: Dedicated Sustainable & Impact investment team <input checked="" type="checkbox"/> External resources <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Environmental advisors <input type="checkbox"/> Social advisors <input type="checkbox"/> Corporate governance advisors <input type="checkbox"/> Regulatory and/or legal advisors <input checked="" type="checkbox"/> Other, specify type of advisors/roles <input type="checkbox"/> Independent members of investment committee <input type="checkbox"/> No use of internal or external advice on ESG issues 			
INF 07		Mandatory	Core Assessed
<p>INF 07.1 Indicate which E, S and G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Environmental <ul style="list-style-type: none"> Energy efficiency Disposal of waste Water efficiency <input checked="" type="checkbox"/> Social <ul style="list-style-type: none"> Health and safety Human Capital Management Corporate conduct <input checked="" type="checkbox"/> Governance <ul style="list-style-type: none"> Protection / exercise of shareholders' rights Engagement and co-operation with stakeholders Timely / accurate disclosure <p>INF 07.2 Additional information (Optional):</p> <p>The list of Environmental and Social issues considered largely depends on the nature of the investment and the sector in which it is based. For example, an investment in electricity generation plants requires detailed review of emissions, emission standards and efficiency of plant design. Investment in a waste process business will require detailed review of waste handling procedures and destination of processed waste, efficiency of waste processing facilities and natural environment impacts of disposal of treated/sorted wastes.</p>			
INF 08		Voluntary	Additional Assessed
<p>INF 08.1 Indicate what type of ESG information your organisation typically considers during your infrastructure investment selection process.</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Raw data from the target infrastructure asset/company <input checked="" type="checkbox"/> Benchmark/ratings against similar infrastructure asset <input checked="" type="checkbox"/> Sector level data/benchmarks <input checked="" type="checkbox"/> Country level data/benchmarks <input checked="" type="checkbox"/> Reporting standards, infrastructure sector codes and certifications <input checked="" type="checkbox"/> International initiatives, declarations or standards <input checked="" type="checkbox"/> Engagements with stakeholders (e.g. contractors and suppliers) <input checked="" type="checkbox"/> Advice from external sources <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not track this information <p>INF 08.2 Additional information:</p> <p>Our investment selection process contains a detailed review of information related to ESG factors, as outlined above. The source of this information typically comes from the seller, external advisors (technical and environmental consultants, legal, etc.), industry associations, regulatory bodies, and other publicly available information. Our external advisors often provide summaries and analysis on ESG factors, such as a formal Environmental Site Assessment or a review of safety practices.</p> <p>For example, for a power plant in the United States, emissions are regulated and typically determined by its air permits. Emissions are tracked and typically recorded by continuous emissions monitoring systems at the plant and reported to regulatory bodies (usually to the entity that grants the air permit). During the investment selection process, some or all of this data is usually available for review by the due diligence team for analysis. Similarly, health and safety records are tracked by power plant operators. This information is often compared against industry benchmarks from the Occupational Safety and Health Administration ("OSHA") (part of the United States Department of Labor), both during the investment selection process and post-acquisition on an ongoing basis.</p> <p>Analysis of ESG factors are reported in various forms during the investment selection process and stated. All due diligence reports are saved in electronic form on our servers, pursuant to record retention policies of the firm. Further, our investment committee paper that requests approval for an acquisition outlines ESG considerations and typically contains summaries of the conclusions of advisor reports. Upon acquisition, we acquire all historical information on assets, which includes historical data and records of ESG related factors (such as OSHA incidents for the US power plants). After acquisition, records of ESG factors are kept by the portfolio company and reported to us on a periodic basis. As mentioned previously, ESG considerations are reported monthly internally. Upon request and on an ad hoc basis, ESG data is reported to our investors.</p>			
INF 09		Voluntary	Additional Assessed
<p>INF 09.1 Indicate if ESG issues impacted your infrastructure investment selection processes during the reporting year.</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG issues helped identify risks and/or opportunities for value creation. <input checked="" type="checkbox"/> ESG issues led to the abandonment of potential investments. <input type="checkbox"/> ESG issues impacted the investment in terms of price offered and/or paid. <input type="checkbox"/> ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants. <input checked="" type="checkbox"/> ESG issues were considered but did not have an impact on the investment selection process. <input type="checkbox"/> Other, specify <input type="checkbox"/> Not applicable, our organisation did not select any investments in the reporting year. <input type="checkbox"/> We do not track this potential impact. <p>INF 09.2 Indicate how ESG issues impacted your infrastructure investment deal structuring processes during the reporting year.</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG issues impacted the investment in terms of price offered and/or paid. <input checked="" type="checkbox"/> ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants. <input checked="" type="checkbox"/> ESG issues were considered but did not have an impact on the deal structuring process. <input type="checkbox"/> Other, specify <input type="checkbox"/> Not applicable, our organisation did not select any investments in the reporting year. <input type="checkbox"/> We do not track this potential impact. <p>INF 09.3 Additional information:</p> <p>ESG considerations are an important part of our investment process. During initial screening and due diligence, ESG factors are identified and the risk and financial impact on returns are analysed. Examples include:</p> <p>For our recent investment in Gascon (AFR 16), an unregulated LPG distribution utility in Portugal, we considered the impact on the business of decarbonisation of energy in Portugal.</p> <p>For our recent investment in Phoenix Wind, a United States wind farm portfolio, we positively considered its strong ESG attributes, renewable power generation with no emissions and multi-purpose land use.</p> <p>Other, these considerations are qualitative in nature and do not directly impact the valuation or cash flows of an investment. There are occasions where significant issues (risks) arise and mitigation measures are required, or we choose not to proceed with the transaction.</p>			
INF 10		Mandatory	Core Assessed

INF 10.1 Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.			
<input checked="" type="checkbox"/> Yes			
INF 10.2 Indicate your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.			
<input checked="" type="checkbox"/> Selection process of third-party operators incorporates ESG issues			
<input checked="" type="checkbox"/> For all third-party operators <input type="checkbox"/> For a majority of third-party operators <input type="checkbox"/> For a minority of third-party operators			
<input checked="" type="checkbox"/> Contractual requirements when appointing third-party operators includes ESG issues			
<input checked="" type="checkbox"/> For all third-party operators <input type="checkbox"/> For a majority of third-party operators <input type="checkbox"/> For a minority of third-party operators			
<input checked="" type="checkbox"/> Monitoring of third-party operators covers ESG responsibilities and implementation			
<input checked="" type="checkbox"/> For all third-party operators <input type="checkbox"/> For a majority of third-party operators <input type="checkbox"/> For a minority of third-party operators			
INF 10.3 Provide a brief description of your organisation's selection, appointment and monitoring of third-party operators. [Optional]			
Selection of third-party operators depends on the nature of the investment. In instances where we are responsible for the development and formation of a new project, we will have direct responsibility for the engagement of third-party operators. In such circumstances we have direct control over the appointment, the contractual structure and establishment of the monitoring framework for the third-party operator. In instances where we acquire an existing business, with an existing operating structure, we ensure that the corporate policies of the investee company are in accord with our fund policies, and we seek to ensure management comply with such policies through our governing role with the investee company. In such instances, we expand and improve ESG programs, when and where necessary.			
INF 10.4 Describe how your third-party operators contribute to the management of ESG issues for your infrastructure investments. [Optional]			
Operating & regulatory framework – organizational experience and expertise, corporate policies, accreditation with industry bodies, operational record against national and international standards of practice, employment policies, suitability licensed to operate Reporting framework – e.g. environmental performance standards, occupational health and safety reporting (such as contractor near misses and LTIs), governance framework for the operator Performance objectives – e.g. contractual terms which penalize poor environmental performance.			
<input type="checkbox"/> No			
INF 11	Mandatory	Gateway	PR 2
INF 11.1 Indicate whether your organisation and/or operators consider ESG issues in post-investment activities relating to your infrastructure assets.			
<input checked="" type="checkbox"/> Yes			
INF 11.2 Indicate how your organisation, and/or operators, considers ESG issues in the following post-investment activities relating to your infrastructure assets.			
<input checked="" type="checkbox"/> We consider ESG issues in the monitoring and operation of infrastructure <input checked="" type="checkbox"/> We consider ESG issues in infrastructure maintenance <input checked="" type="checkbox"/> We consider ESG issues in stakeholder engagements related to our infrastructure <input type="checkbox"/> We consider ESG issues in other post-investment activities, specify			
INF 11.3 Describe how your organisation, and/or operators, considers ESG issues in post-investment activities related to your infrastructure investments. [Optional]			
ESG principles are embedded in our processes when actively managing investments in our portfolio. In our view, delivery against a robust ESG framework reflects good management, delivers better risk investments, greater community and employee support, and over the long term, stronger financial returns. We assess the ESG credentials of our investee companies by benchmarking their policies, actions and procedures against our ESG objectives. Notably, given the diverse nature of our existing and potential future investments, such criteria consider relevant local, regional and global best practices and the nature of the business, operations, surrounding environment and community in which the investee company operates. Key categories reviewed include: (1) Environmental: Climate change, Environmental management systems and compliance, Environmental efficiency (waste, water, energy), Emissions; (2) Social: Workplace Health and Safety, Human capital management, Corporate conduct, Stakeholder management, community relations; and (3) Governance: protection / exercise of shareholders' rights, engagement and co-operation with stakeholders, disclosure. Although each investment company we own is different, ESG considerations are typically reviewed and discussed during quarterly board meetings.			
<input type="checkbox"/> No			
INF 12	Mandatory	Core Assessed	PR 2
INF 12.1 Indicate the proportion of infrastructure assets for which your organisation and/or operators included ESG performance in investment monitoring during the reporting year.			
<input checked="" type="checkbox"/> >90% of infrastructure assets <input type="checkbox"/> 51-90% of infrastructure assets <input type="checkbox"/> 10-50% of infrastructure assets <input type="checkbox"/> <10% of infrastructure assets			
INF 12.2 Indicate ESG issues for which your organisation, and/or operators, typically sets and monitors targets (KPIs or similar) and provide examples per issue.			
<input checked="" type="checkbox"/> Environmental Energy efficiency Water usage Waste efficiency <input checked="" type="checkbox"/> Social Workplace health and safety Human capital management <input checked="" type="checkbox"/> Governance Protection / exercise of shareholders' rights Engagement and cooperation with stakeholders Timely / accurate disclosure <input type="checkbox"/> We do not set and/or monitor against targets			
INF 12.3 Additional information. [Optional]			
We have board seats (or equivalent) for all the infrastructure companies we own a stake in. We regularly review and monitor ESG issues with management.			
INF 13	Mandatory	Additional Assessed	PR 2
INF 13.1 Indicate whether you track the proportion of your infrastructure investments that have an ESG/sustainability-related policy (or similar guidelines).			
<input checked="" type="checkbox"/> Yes			
INF 13.2 Indicate the proportion of your infrastructure investments that have an ESG/sustainability-related policy (or similar guidelines).			
<input checked="" type="checkbox"/> >90% of infrastructure investments <input type="checkbox"/> 51-90% of infrastructure investments <input type="checkbox"/> 10-50% of infrastructure investments <input type="checkbox"/> <10% and <10% of infrastructure investments <input type="checkbox"/> 0% of infrastructure investments			
INF 13.3 Describe how your organisation, and/or your operators, contribute to the infrastructure investees' management of ESG issues. [Optional]			
In instances where we are responsible for the development and formation of a new project or company, we will have direct responsibility for the establishment of corporate and procurement policies which have a direct impact on the management of ESG issues. In instances where we acquire an existing business with an existing operating structure, we ensure that the corporate policies of the investee company are in accord with our fund policies or we update the policy as needed. We maintain oversight of all our investments through board appointments and participation in management working groups through which we are able to oversee management compliance with such policies.			
<input type="checkbox"/> No			
INF 14	Voluntary	Descriptive	PR 2.3
INF 14.1 Indicate the type and frequency of reports you request and/or receive from infrastructure investees covering ESG issues.			
<input checked="" type="checkbox"/> Overarching portfolio asset/company reports or similar where management disclosures, financial and ESG data are integrated			
Typical reporting frequency <input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested, specify			
<input checked="" type="checkbox"/> Standalone reports highlighting targets and/or KPIs covering ESG issues			
Typical reporting frequency <input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested, specify			
<input type="checkbox"/> Other, specify <input type="checkbox"/> No reporting on ESG issues requested and/or provided by infrastructure investees			
INF 15	Mandatory	Core Assessed	PR 2
INF 15.1 Indicate the proportion of active infrastructure maintenance projects where ESG issues have been considered.			
<input checked="" type="checkbox"/> >90% of active maintenance projects <input type="checkbox"/> 51-90% of active maintenance projects <input type="checkbox"/> 10-50% of active maintenance projects <input type="checkbox"/> <10% of active maintenance projects <input type="checkbox"/> N/A, no maintenance projects of infrastructure assets are active			
INF 15.2 Describe your approach to ESG considerations for infrastructure maintenance projects. [Optional]			
We ensure that the corporate policies of the investee company are in accord with our fund policies. We maintain oversight of all our investments through board appointments and participation in management working groups through which we are able to oversee management compliance with such policies when maintaining our infrastructure assets.			
INF 16	Voluntary	Additional Assessed	PR 2
INF 16.1 Indicate which stakeholders your organisation, and/or operators, engaged with on ESG issues in relation to your infrastructure assets during the reporting year and what proportion of your investments they apply to.			
<input checked="" type="checkbox"/> Stakeholders engaged			
<input checked="" type="checkbox"/> Regulators			
Percentage of infrastructure assets these apply to <input type="checkbox"/> >90% of infrastructure assets <input checked="" type="checkbox"/> 51-90% of infrastructure assets <input type="checkbox"/> 10-50% of infrastructure assets <input type="checkbox"/> <10% of infrastructure assets			
<input checked="" type="checkbox"/> Communities			
Percentage of infrastructure assets these apply to <input type="checkbox"/> >90% of infrastructure assets <input checked="" type="checkbox"/> 51-90% of infrastructure assets <input type="checkbox"/> 10-50% of infrastructure assets <input type="checkbox"/> <10% of infrastructure assets			
<input type="checkbox"/> Other stakeholder, specify <input type="checkbox"/> Other stakeholder, specify			
INF 16.2 Describe your approach to stakeholder engagements in relation to your infrastructure assets.			
Dependent on the nature of the investment and investee company. As examples: Wind farm development – active stakeholder engagement throughout the development and construction phase, and post construction in response to a community fund project, and impacts of operation. Stakeholders engaged include the local townspeople, farmers, regulators, Government, environmental (flora and fauna) interest groups. Regulated water and sewerage company – active engagement with stakeholders and the community through a formal consumer consultation-group on pricing, drinking water regulators, environmental regulators, community forums on new works, engagement with flood-prone communities, etc.			
INF 17	Voluntary	Additional Assessed	PR 1.3
INF 17.1 Indicate whether your organisation measures how your approach to responsible investment in Infrastructure Investments has affected financial and/or ESG performance.			
<input type="checkbox"/> We measure whether our approach to ESG issues impacts funds' financial performance <input checked="" type="checkbox"/> We measure whether our approach to ESG issues impacts funds' ESG performance			

Describe the impact on:	Impact
Fund's ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

☐ None of the above

INF 17.2 Describe how you are able to determine these outcomes.

Our Funds participate in theGRESB Sustainable Infrastructure Assessment. GRESB provides a systematic assessment and benchmarking for ESG performance. Historically GRESB has focused on the real estate sector but since 2014 has widened its focus to include infrastructure. GRESB measures and ranks our ESG performance and benchmarks us compared to our peers.

We use the GRESB results and feedback as a tool for initiating continuous ESG performance improvement at our assets. In the latest 2019 assessments, our funds received 5- and 4-stars amongst a peer group of 28 globally diversified, private infrastructure funds. Additionally, our asset Taubermacher received the #1 asset ranking for Environmental Services, and our asset Autovía del Camino received the #1 ranking in its peer group. We will continue to focus on improving our ESG performance and GRESB scores.

We believe that our ESG framework approach will ultimately have a positive impact on the Fund's financial performance and ESG performance. However, we do not quantify the impact. In order to measure the impact of ESG policies on outcomes, we require a 'control' portfolio in which ESG principles are not applied. As we apply ESG policies to our investment process universally, we do not have any internal comparison 'control' portfolio. Given the specificity of each asset's business operating environment, it is also not reasonable to benchmark against external portfolios and businesses.

INF 18	Voluntary	Description	PRG 1.3
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INF 18.1 Provide examples of ESG issues that affected your infrastructure investments during the reporting year.

☒ Add Example 1

ESG issue	Waste water compliance misreporting
Types of infrastructure affected	Water and Waste water asset
Impact (or potential impact) on investment	Regulator imposed a material customer rebate as the penalty for misreporting
Activities undertaken to influence the investment and the outcomes	Regulator, Board and shareholders have looked at plans to fix past delivery and to delivery in the future

☒ Add Example 2

ESG issue	Unemployment risk
Types of infrastructure affected	Power generation facilities
Impact (or potential impact) on investment	<p>UK power generation facility is approaching the end of its economic and useful life creating uncertainty for employee's ongoing employment</p> <p>Facility lacks staff to operate around the clock, moved to idle mode</p> <p>Potential lost energy revenue for three months; potential to lose capacity payments through May if plant cannot operate if / when called upon by PJM</p>
Activities undertaken to influence the investment and the outcomes	Retention program implemented to incentivize employees to remain at plant and to provide them additional compensation due to uncertain employment future, staff moved to separate facility to keep them employed. These initiatives help support the communities in which these employees work

☐ Add Example 3
☐ Add Example 4
☐ Add Example 5

INF 19	Mandatory to Report, Voluntary to Disclose	Description	PRG 6
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INF 19.1 Describe your organisation's approach to disclosing ESG incidents in infrastructure investments to your investor clients.

In our quarterly and annual Fund Reports to clients, we report on any impacts, positive and negative for a variety of ESG issues. For all companies we own in our fund vehicles we comment quarterly and annually on Health and Safety and Environment issues.

CM1 01	Mandatory	Additional Assurance	General
<p>CM1 01.1 Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone</p> <p> <input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) </p> <p> <input checked="" type="checkbox"/> Whole PRI Transparency Report has been internally verified <input type="checkbox"/> Selected data has been internally verified <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above </p>			
<p>CM1 01.2 Additional information [OPTIONAL]</p> <p>Verified by the Sustainable and Impact Investing Team</p>			
CM1 02	Mandatory	Description	General
<p>CM1 02.1 We undertook third party assurance on last year's PRI Transparency Report</p> <p> <input type="checkbox"/> Whole PRI Transparency Report was assured last year <input type="checkbox"/> Selected data was assured in last year's PRI Transparency Report <input checked="" type="checkbox"/> We did not assure last year's PRI Transparency report <input type="checkbox"/> None of the above. We were in our preparation year and did not report last year. </p>			
CM1 03	Mandatory	Description	General
<p>CM1 03.1 We undertake confidence building measures that are unspecified to the data contained in our PRI Transparency Report</p> <p> <input type="checkbox"/> We adhere to an RI certification or labelling scheme <input type="checkbox"/> We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report <input type="checkbox"/> ESG audit of holdings <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> None of the above </p>			
CM1 04	Mandatory	Description	General
<p>CM1 04.1 Do you plan to conduct third party assurance of this year's PRI Transparency report?</p> <p> <input type="checkbox"/> Whole PRI Transparency Report will be assured <input type="checkbox"/> Selected data will be assured <input checked="" type="checkbox"/> We do not plan to assure this year's PRI Transparency report </p>			
CM1 07	Mandatory	Description	General
<p>CM1 07.1 Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report - and if this applies to selected data please specify what data was reviewed</p> <p> <input type="checkbox"/> CEO or other Chief Level staff <input type="checkbox"/> The Board <input checked="" type="checkbox"/> Investment Committee </p> <p>Sign-off or review of responses</p> <p> <input checked="" type="checkbox"/> Sign-off <input checked="" type="checkbox"/> Review of responses </p> <p> <input checked="" type="checkbox"/> Compliance Function <input checked="" type="checkbox"/> RI/ESG Team <input checked="" type="checkbox"/> Investment Teams <input type="checkbox"/> Legal Department <input type="checkbox"/> Other (specify) </p>			